THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

September 4, 1948

CHINA'S WAR PROSPECTS

AN EDITORIAL

Shantung Situation Deteriorates

Isabela Mong

Fukien Land Reform

Chen Yung-kuang

Overseas Chinese In US

N. Q. Tse

GREAT EXPECTATIONS

AN EDITORIAL

VOLUME 111 Gold Yuan 60 Cents NUMBER 1

1870

BFG

B.F.Goodrich

固得力

袖領膠橡

Sole Distributors:

THE CHINA MERCANTILE CO., LTD.

97 Yuen Ming Yuen Road Tel. 13312

LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Currency Questions

To The Editor:

The long-rumored currency reform at last became a fact. One's instant reaction is whether it means further inflation under a new guise by simply wiping out a few zeros or the beginning of a long-time stabilization of commodity prices. Having perused the series of decrees promulgated by the Nanking government, I find no justified cause for optimism. According to the Presidential decree, the new managed gold standard is to be backed by 100 percent specie, foreign exchange and securities reserve. We cannot help asking that whatever reserves the government now possesses, were they not already in its possession under the old *fapi*?

One bright spot seems to come from the fact that subsidiary coins in silver(?), nickel and copper will be issued. But this brightness is immediately darkened by another fact that 10 cents and 20 cents subsidiary notes will be issued side by side. We will soon find only paper money in circulation except perhaps one cent coppers and five cents nickels.

In an editorial on "A New Currency is Born," the *Shanghai Evening Post* calls for administrative efficiency to make the reform a success. The editor seems to have lost sight of the fact that public servants, with the cost of living system abolished, are bound to suffer greater hardships under the new decrees. According to the decrees, public utilities, whether government or private owned, are to operate on a basis of financial self-sufficiency and to restore their prewar level of charges. Therefore, postage, railway fares, and other public utility charges are bound to increase. In fact, the government authorizes them to do so. Then it will be naive to assume that producers, wholesalers and retailers will not follow suit. As to the public servant, his salary is to be paid in full only on the first 40 gold *yuan*, amounts exceeding that will be paid by 20 per cent up to 300 gold *yuan* while any amount above this figure will be paid by 10 per cent. In the case of the mayor of Shanghai whose basic salary is 800, the highest for a government official, he will hereafter get a monthly pay of $40 + 20/100 \times 260 + 10/100 \times 500$ gold *yuan*, i.e., 142 gold *yuan*, which will be hardly sufficient to meet his rent and gas, electricity and water bills. Then how about those who belong to the lower echelons? You cannot expect from them any high degree of administrative efficiency while they are daily worrying about where they can get the next meal for their families.

In the same editorial, the *Post* calls the reform "China's last chance." I think China has survived worse crises; it will survive any one that may come. It is only proper to say that it is the Nanking government's last chance. There certainly will not be another chance for it to reform.

H. H. LI.

Shanghai
August 23, 1948

THE CHINA WEEKLY REVIEW

J. B. Powell
(Editor & Publisher, 1918-1947)

John W. Powell, *Editor & Publisher*
J. R. Kaim, *Financial Editor*
Sam J. Wilde, *Advertising Manager*

Assistant Editors
Julian Schuman
Elizabeth Purcell
Yang Chen-fang
Joan Faulkner
Helen Sun

Contributing Editors
Fang Fu-an
Lin Wo-chiang
Charles J. Canning
C. Y. W. Meng
Edward Rohrbough
Ben Y. Lee
Frank L. Tsao
Tseng Yu-hao
Shen Chien-tu
James L. Stewart

Correspondents

Jefferson Cath	—	*Canton*
Van Shih-ching	—	*Chengchow*
Tong Chun-cho	—	*Chengtu*
Chen Fu-sheng	—	*Foochow*
Mark M. Lu	—	*Kaifeng*
Helen P. F. Shih	—	*Kunming*
Joseph I. C. Luan	—	*Shantung*
S. E. Shifrin	—	*Tientsin*
Lauw Thian-hok	—	*Batavia*
Harin Shah	—	*Bombay*
C. Y. Hsieh	—	*London*
Joseph P. Lyford	—	*New York*
Jacques Decaux	—	*Paris*
David Conde	—	*San Francisco*
Ngiam Tong Fatt	—	*Singapore*
Hugh Deane	—	*Tokyo*

F. K. Chao, *Business Manager* Chen Pang-cheng, *Circulation Manager*

Index for September 4, 1948

Editorial Paragraphs

China's War Prospects 7
Great Expectations 8
US Foreign Aid 9
Disciplining Troops 9

Special Articles

Shantung Situation Deteriorates ..... *Isabela Mong* 11
Strategy Of Strikes In France ..... *Jacques Decaux* 12
Should Co-Education Be Abolished In Chinese Secondary Schools ..... *Ho Chi-kai* 13
Land Reform In Fukien ..... *Chen Yung-kuang* 15
Overseas Chinese In US: A Sociological Analysis ..... *N. Q. Tse* 16

Economic Section

The Week's Business 17
Quotations 17

Departments

Letters From The People 1
25 Years Ago 10
News Of The Week 18
US Magazine Roundup 20
The Review's English Lesson XLVII 21
What US Papers Say 22
What Chinese Papers Say 23
New Books Of Interest 24

Subscription Rates

	3 months	*6 months*
Shanghai and China Outports	GY$ 7.50	GY$14.00
China Outports (Air Mail)	GY$10.50	GY$20.50
Hongkong and Macao	GY$ 9.00	GY$17.00
Hongkong and Macao (Air Mail)	GY$12.00	GY$23.00
	6 months	*1 year*
U.S.A. and other Foreign Countries	US$5.00	US$9.00

Price per copy: 60 cents

All mail rates are subject to change in accordance with postal changes.

Cable Address: "Reviewing" Shanghai **Telephone: 14772**

PUBLISHED AT 160 CHUNG CHENG ROAD (EASTERN), SHANGHAI (O), CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, U.S.A. REGISTERED AT THE CHINESE POST OFFICE AS A NEWSPAPER FOR TRANSMISSION WITH SPECIAL MARKS PRIVILEGES IN CHINA.

Contents of previous issues of The China Weekly Review may be found in the "International Index of Periodicals," copies of which are on file in most standard libraries.

All editorials, text and other material in the weekly issues of the China Weekly Review are copyrighted under certificate of registration 警 No. 9953 issued by the Ministry of Interior. Registered with Ministry of Interior of the National Government of the Republic of China, under certificate for newspapers No. 京 滬 警 250.

CONNELL BROS. CO., LTD.

— *Established 1898* —

Importers & Exporters

149 Szechuen Road, Shanghai (O) Tels. 16833-2-1

Head Office: **San Francisco**

Branches:

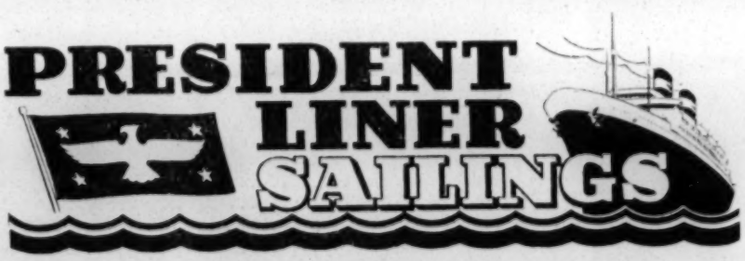
New York Bombay Tientsin

Affiliated Companies:

CONNELL BROS. CO. (HONGKONG) LTD.
Hongkong and Saigon

CONNELL BROS. CO. (MALAYA) LTD.
Singapore and Penang

CONNELL BROS. CO. (PHILIPPINES)
Manila, Cebu and Iloilo



ALL VESSELS BERTH DOWNTOWN SHANGHAI

Express Freight and Passenger Service

To San Francisco

PRES. WILSON	Sept. 7	Via Yokohama
PRES. CLEVELAND	Sept. 16	Via Hongkong & Manila
PRES. TAFT	Sept. 17	Calls Los Angeles
GEN. GORDON	Sept. 22	Via Yokohama & Honolulu
GEN. MEIGS	Oct. 6	Via Hongkong & Manila

ROUND THE WORLD FREIGHT and PASSENGER SERVICE

To MARSEILLE, GENOA, LEGHORN, NAPLES, NEW YORK and BOSTON

SCOTT E. LAND	Sept. 5
MARINE SNAPPER	Sept. 14
MARINE FLIER	Oct. 1

VIA

HONGKONG, MANILA, SINGAPORE, PENANG, COLOMBO, BOMBAY, PORT SAID and ALEXANDRIA

AMERICAN PRESIDENT LINES

51 Kwang Tung (Canton) Road Telephone 15309

Money And Paper

To The Editor:

I could hardly believe my eyes when I learned from a local newspaper that a large paper mill here had purchased a vast quantity of CNC notes to be used as raw material for paper. It was reported that this lot of notes, packed in 800 cases and weighing hundreds of tons, were shipped here from Hongkong.

Small as the denomination of the notes were, ranging from $100 to $2,000, I cannot but shudder at the alarming extent of the inflation as evidenced by the fact that these notes were brand new and had not yet had the privilege of being put into circulation. Indeed, I have never heard of any story of banknotes used for other purposes than monetary ones, similar to the aforementioned story, except that I have been told of a millionaire who once used banknotes as firewood in order to show off his riches.

According to the same press report, the idea of changing outcast small notes into paper material was not new and had been adopted by a paper mill in Wuchow, Kwangsi. This free use of money for other purposes than monetary ones is certainly a serious warning of the collapse of the national economy. If the government fails to institute a real and effective reform, both politically and economically, the day will not be far off when any notes issued will be in the same position as the already outcast small ones.

J. H. K.

Kongmoon, Kwangtung
August 18, 1948

Breathing Spell

To The Editor:

Szechuan, during the war with Japan, was the province which bore the heaviest burden of all those in Free China. Three million of her boys enlisted in the army, and many of them lost their lives. As the most fertile of the Free China provinces, it was Szechuan which saved the country from starvation and surrender. For eight long years the farmers of Szechuan toiled unceasingly, yet they did not complain. My Country: Right or Wrong! And they had a dream to sustain them, a dream that after the war their burdens would be lifted a little and they would again be able to enjoy living. This has proved to have been merely a dream after all!

I remember when Generalissimo Chiang bade farewell to Szechuan three years ago. He made a beautiful speech thanking the people for their unstinting support, and he made a lot of promises which brought joy to the hearts of his hearers. He said, among other things, that he had drawn up a fine plan for the modernization of Szechuan which would be carried into effect, step by step, within four years. But most important was the promise he made that for a year the citizens of Szechuan would be free from taxation.

Three years have passed since VJ Day, and what has happened? The modernization plan is still on paper, as are the plans for the Chungking-Chengtu railway. Heavier taxes have been levied in place of that tax-free year. The Szechuanese farmers are not far from starvation; they haven't even the strength to groan.

All this is excused on the pretext of the war with the Communists. I shall not discuss the merits of that war here—but I do want to point out that the people of Szechuan need a breathing spell (as do the people of all China). War and oppression have been their lot for too long: there is a breaking point and necessity knows no law. After

taking and taking from the people, a government should never forget to give a little.

T. C. YANG.

Chengtu, Szechuan
July 17, 1948

Hankow Incident

To The Editor:

I have recently been informed that there was an incident which happened in Hankow about a fortnight ago, i.e. some American military officials took part in a so-called home-dancing meeting one night on the fifth floor of a building in that city in honor of the departure of an American business executive.

They invited dancing girls and companions of high ranking Chinese officials to attend the party. At mid-night, the lights were suddenly turned out and all the women were violated. When the police arrived only one man was arrested.

What is your opinion on this matter?

C. S. S.

Taipeh, Taiwan
August 28, 1948

Nanking Rape

To The Editor:

As an ordinary reader of the *Review* I would like to tell you of a terrible rape case which occurred in this city a month ago.

Not far from my home there lived an officer, a Major-General to be exact, the chief of a certain chamber of the Headquarters of the Army of the National Defense Ministry. In the same house there are other families, as is the custom here. Among the families there was a pretty little girl of ten years whom we often saw. Formerly the child was always very lively and bright and everyone was fond of her. The treacherous General acted the same way towards her and always played with her and gave her bonbons to eat. One day this rascal went so far that he shamefully raped the naive little girl by force. The latter dared not tell her parents about this, as she was threatened by the former. But to the great anger of every righteous-minded person the rascal General is a deep sufferer of Gonorrhoea. Through this rape the innocent little girl becomes a captive of this most troublesome disease for she has been infected.

Soon afterwards, the malignant bacteria began to work and multiply in the under part of her body and she has had to keep to her bed all day. Thus, her mother found out the causes in all their detail. But what is even more heartbreaking to us is that her father, being a minor officer with a tiny income, cannot afford to send her to a hospital to be cured. For this reason, her mother is in tears all day long and has fainted many times while her father has become very nervous and is half-crazy. The child's health goes from bad to worse, she has lost her appetite and even drinking water makes her throw up.

This rascal of a General was arrested by the Army Headquarters four weeks ago but up to now nothing has been heard of a judgment. The relatives, colleagues and schoolmates of the wretch, many of whom are generals are reported to be using their "connections" to solve this "trifle." Pressure has already been exerted upon the poor father. He has received a warning not to go ahead with his attempts to settle the matter except privately or else he may lose his post.

This all reminds me of the rape of a college girl by an American G.I. last year in Peiping. We have seen student

555

The "555" clock respects no position: it will work at any angle. No matter how the minute-hand is shifted, you will soon find it perfectly adjusted.

Manufacturers:

China Clock & Watch Works, Ltd.
980 ZIKAWEI ROAD, SHANGHAI TELEPHONE 70350

Via GLOBE

"No great man lives in vain. The history of the world is but the biography of great men."

—THOMAS CARLYLE.

●

GLOBE WIRELESS LTD.
51 Kwangtung Road
SHANGHAI (O)

Via GLOBE

demonstrations, read official protest and heard much voicing of resentment about the American and have heard sympathies for the victim expressed. There also is the story of a woman teacher raped and killed by a retired lower official in Wookiang which is still fresh in my mind. In both these cases the culprits were justly punished.

In comparing the Nanking case with these two, three points must be carefully noted: First, the victim was a little girl not yet in her teens; second, the principal is an active General in the Army; and third, the rape was committed by the General who was fully aware of his disagreeable disease. However, to my astonishment and indignation, the local press has not mentioned a single word about this event. Also, my neighbors all fear to utter their opinions openly for fear of offending the influential General. However, my conscience forces me to speak up and so I have written you of the case.

Finally, it must be added that the devil of a General has despoiled many other women by means of invitations to dances and meals. But the injured dare not say anything, for it means a loss of honor and face.

AN ANGRY NEIGHBOR.

Nanking
August 20, 1948

Death Sentences

To The Editor:

Nobody can deny that the *Review*, at present, is still a rightful magazine in this gloomy city of Shanghai. We think you understand what the life of the Chinese people in this country is at the present moment. It is unnecessary for us to repeat it. However, we would like to let you know about the case of Wang Hsiao-ho and Wu Kow-chin, who were sentenced to death by tne Special Court recently because of pro-Communist suspicion.

It is a question whether or not the two victims, Wang and Wu, had put the iron filings into the generator of the Power Company and attempted to destroy it, as the local authorities have not given any public proof to that effect. According to the law, the two victims, in case they had put the filings into the generator, should not be sentenced to death because they failed to materialize their desire of destroying the generator.

The Special Court is an illegal organ. It is against the constitution that this Court should have tried the two defendants secretly without the attendance of any correspondents and representatives of various circles. None of the Chinese people living in this gloomy country can say: "Tomorrow is safe."

We hope that you will write an editorial to stop the government's cruel conduct and to abolish the illegal "Special Court." Through your criticism, we hope the authorities will try the case again and give the two victims a chance of avoiding death. We don't think you will let us be disappointed. Hoping to hear of your action, we remain.

A GROUP OF "SMALL" GOVERNMENT SERVANTS.

Shanghai
August 16, 1948

Peita Report

To The Editor:

Since the "July 5" incident, the Government has showed no sincerity in settling the bloody case of the Northeastern students. On the contrary, opposition to Northeastern and North China students has been intensified. After the arrest of Hsu Fang-wei (a Tsing Hua student), Ting Chi (from Chao Yang College) and Chao Shu-ying there was the incident at Chang Po Normal College in which 15 students were arrested, and succeeding that, a plan on a far greater scale has been made. On the 14th of August, the *Central News Agency* published the so-called "Statistics of Student Disturbances" made by the Ministry of Education which shows that the authorities are going to take new steps to cope with the "student disturbances." On the 17th the Agency reported a so-called "iron proof" of "bandit agitation in student disturbances," which was reprinted in every official newspaper. Following that, all government-backed newspapers launched violent attacks on students, emphasizing the necessity of "resorting to arms" and backing the new move as "a resolute step." After the "Four Measures against Student Disturbances" were issued by the Executive Yuan, the large-scale persecution of students being planned was brought out into broad daylight.

The campaign against students formally began on August 19 with the unconstitutional Special Criminal Court issuing warrants for the arrest of 240 students. The next day, another black list was made public; 22 Peita students were included on it.

In order to protect themselves from possible disasters, Peita students who were still staying in the university held a meeting at ten o'clock that morning, at which they resolved to resist the arrest ordered by the Special Court because it was considered from the first an unconstitutional organization and to unite all the other universities in protest against the arrest. At the same meeting, Mr. Ho Lin, Dean of Discipline told the students to keep quiet and predicted that the police and gendarmes around would not enter the university for some time. But at the same time he said that the university was going to pass on the warrants to the students who were on the list.

The next morning, another blacklist was made public through the Office of Discipline. Most of the students on the list are members of the present Student Body. In the same day's newspapers, it was reported that those who were summoned by the Special Court but had left the university for home or had graduated from the university had gone over to Communist territory, and that the Government was going to order their immediate arrest.

This news enraged the students. The slogan "Protect our Student Body," immediately resounded all over the campus. Meanwhile many members of the Peita faculty also held a meeting, and resolved to support the students in protecting themselves, and after that they issued a statement protesting against the illegal arrests, in which there are lines to this effect:

"The charge against the students, of "high treason," is made by the Government without giving any evidence..... If the Government resorts to law, it must choose reasonable laws, those unreasonable regulations and makeshift measures undoubtedly are contradictory to the true spirit of law in general. This is even more so when laws are misinterpreted for certain political purposes.....We, who are responsible for the education of youth, also find the purpose of the Government to be nothing but the making of disturbances and consequently we shall not be able to carry on our teaching....."

For the whole day, Peita was closely surrounded, everyone was inspected on going through the blockaded lines. The office of Discipline investigated every dormitory that night.

Two days later, the university was still surrounded. At midnight the uni-

Shanghai's American Daily— more than "just a newspaper"

During these trying post-war days, the Shanghai Evening Post and Mercury has slipped into a peculiarly intimate place in the minds and hearts of readers. Perhaps that is because it tries in every way to be as human as your best friend. Read it for true straight news, most of it printed at least 15 hours ahead of other Shanghai papers; for outspoken views; for bright touches and entertainment features which will take your mind off your troubles. For the times, subscription rates are low:

REVISED MONTHLY SUBSCRIPTION RATES
Effective August 23, 1948
(Subject To Increase)

Local home delivery	GY5.00
Pick up Your own paper	4.50
China Outports (Ordinary mail)	5.10
China Outports (Air mail)	GY6.00 to GY10.00
	(Based on various districts)
Hongkong (Air mail)	8.70
Foreign Countries (Ordinary mail)	7.00
Single Copy	25 cts.

The Shanghai Evening Post & Mercury
19 Chung Cheng Road, Shanghai (13).

versity issued an order to the effect that if those who were summoned by the Court failed to appear in the Court before they should suffer the penalty of dismissal from the university.

Like a bomb, this order burst on the students, and threw them into great agitation. Immediately after the publication of this order, the student body of Peita filed a protest pointing out that this action is completely groundless from the legal point of view, and that it destroys the glorious tradition of democracy and freedom in Peita. At the same time, a letter was written to Dr. Hu Shih asking him to renounce this unreasonable order.

The blockade was finally raised, but the whole case has not come to an end yet. The argument for the renouncement of this order is still being carried on by the students with all their might and main. Whether it can bring a reasonable solution is still in question, but nevertheless the students will fight till the end with all their strength.

JAMES L. KOO.

Peiping
August 27, 1948

Dark Ages

To The Editor:

I can easily imagine that you have received a great deal of news on the recent large-scale student arrests. The picture is so vivid that we cannot help but be reminded of the tyrannical dynasties of the past and of the Dark Ages in the history of Eurpoe.

I would like to tell you a story which occurred in our school only a few days ago. In the middle of the night of the 20th, about 30 persons including plain-clothes detectives, policemen and M.P.'s came to our school. They invaded the students' dormitories and took away seven of our schoolmates who were called "Professional Students." As far as I know the situation, these students only wanted to do some public service and would speak up sometimes on present conditions. They are all pure youths. What crime have they committed to be arrested and punished? I was annoyed and puzzled at first but now after thinking the matter over three times, I have come to the conclusion that our government is on the verge of collapse. What view does your esteemed *Review* take on this?

T. H. MA.

Nankai University, Tientsin
August 22, 1948

Building In Taiwan

To The Editor:

I am glad to be able to tell you about the first Chinese mobile building that has appeared in Taiwan. Set up in New Park, Taipei, Taiwan, this building was designed by the Taiwan Engineering Corporation.

All the materials are local products. The building itself is more beautiful and cheaper than American movable buildings. The building contains one drawing room, 3 bedrooms, 1 kitchen, 1 bathroom and 1 toilet. The house also has electric light and running water, telephone service and gas. The total cost is approximately T.S.$6,000,000.

Plans are being made now to exhibit the building in the Taiwan Industrial and Mining Exhibition for this is a successful pioneer effort in modern building and is also an example of cooperation since both Chinese and Taiwanese engineers had a part in the building.

CHARLES IN.

Taipei, Taiwan
August 11, 1948

WE SELL
Parker "51"
Eversharp
Waterman
Sheaffers &
Various Automatic Pencils

Your Name Engraved Free

THE SHANGHAI FOUNTAIN PEN CO.
152 Honan Rd. (Central) (11)
Tels. 16069, 14432.

EAT AT

Jimmy's

133 Nanking Road
Shanghai

Branch 11-3 Rue Montauban

CHINA ORTHOPEDIC INDUSTRY

Foot
Arches
Hernia
Trusses
Artificial
Limbs
and all
kind of
Orthopedic
Apparatus.

中國科學整形館

519 Chung Cheng Road (Central)
Tel. 73772

Exiled Students

To The Editor:

I jumped for joy at the news of the establishment of two provisional secondary schools—one in Nanking and the other at Chi Kung Shan—by the Ministry of Education for the location of these schools were such that exiled students from Honan would be accommodated. Besides being a benefit to the students in general, the news lifted a great burden from the minds of parents who cannot afford to send their children to schools on account of having lost everything in the war.

Unfortunately, however, the office for the registration of students at Hankow has been instructed by the Ministry to take in students from Kaifeng only, while the applications from those of neighboring hsien of the province have been turned down on the pretext of being non-Kaifeng scholars. We are fully aware of the government's object in its new school program which is to check more Honan students from joining the Communists. Yet we fail to see why the Ministry should have placed the students from Kaifeng in a category to receive special consideration. It seems as though the Ministry thinks Kaifeng students are more worthy of aid than those from other hsiens. Naturally any non-Kaifeng students will resent this discrimination and new dissents will grow up. It is regrettable that the country's intellectual big-shots should have sanctioned or encouraged this new development which will cause great hatred among the discriminated youth and may have serious consequences for the future.

T. P. YANG.

Hanyang, Hupeh
August 2, 1948

Nanchang Report

To The Editor:

It is a long time since I wrote to your *Review*, as I have made a journey from Canton to Nanchang via Hankow during the summer vacation.

Nanchang is my native country, and having wandered for more than ten years over most parts of China I have returned to my sweet home again. In this long vacation I haxe enjoyed good leisure, reading your *Review* and the *Observer*, a Chinese magazine that reports the truth about the world. But although my daily life is peaceful I must say something about present institutions, which are so confused.

In the uproar of price rises, inflation has been taking place fatally and fiercely. Attacked by economic terror, factories have been closing, markets confused, and farms wasting away. In Kiangsi especially, this year floods covered the land here and there. Although this seemed enough, an additional squeeze has been added to the lot of the people. This is the establishment of the so-called 'Political Law,' the law of the special tax collection for self-defense.

According to reports of the "Suppression of Rebels Committee" for Kiangsi, in order to strengthen the local armaments and protect the home country from the attacks of rebellious 'bandits,' a few high officers in the local government had, for this reason, a meeting at which they decided that the law allowing special tax collection should be adopted.

The special taxes managed by the nobles and higher officers are made up of the following kinds:

1) Tax on millionaires. 2) Levies determined by urban land tax. 3) Extra

tax on house owners. 4) Additional tax on farmers and 5) extraordinary tax both on land and water transportation.

These heavy and illegal taxes now being collected are a menace. Most people are suffering painfully. We, being non-party Chinese, don't know why these officers of the government have a special right to establish such a law to benefit their party—and collect taxes which burden the ordinary people so heavily.

Furthermore, taxes on property are in theory levied on millionaires, but in fact that are only paid by the bourgeoisie or even by the proletarians. Society, in such a case, is falling into decadence and disorder. The rich grow richer and the poor poorer. But when there is no room for the poorest people to become poorer, our civil war will be ended due to the collapse of those officer or millionaire parties.

WU SIN-TAO.

Nanchang, Kiangsi
August 2, 1948

World Cure?

To The Editor:

The scope of an attempt to build a world organization has been enlarged year by year. Through the second and third decades of the 20th Century we had the League of Nations, which has evolved into the United Nations.

Western civilization leads the world. The struggle between classes which was manifested in the hypothesis of Marx has been acted upon by Soviet Russia. A struggle has emerged into a world dispute between communism and capitalism.

History tells us that some world disputes cannot be settled by channels of peace or arbitration unless a world organization, to some extent, is able to cope with these disputes. If the UN cannot achieve such a status, a future world war is inevitable even though everyone dreads it.

Problem solving calls for foresight. if there had been no Anglo-Japanese alliance there would have been no World War II. If the Emperor Meiji had not laid the foundation for Japan's pattern of conquest, Japan would have not been defeated in the last war. If Hitler had been an American, no Nazi and no axis would have existed. The urgent responsibility of the leading nations is to settle the disputes of the coming generations and to contribute ways and means to alleviate world crisis.

The world wants to be inoculated against smallpox. The German Blitz was a thunder of destruction. The approaching Blitz—one the world is in fear of—seems to be the magic cure for the world's sickness.

SU TSI-HUAN.

Shanghai
August 24, 1948

Student Arrests

To The Editor:

Recently there has been a series of nation-wide student tragedies more cruel than ever before. In order to thoroughly destroy the student movement before next semester, the government is doing its best to arrest the so-called "Professional Students" during the summer vacation. Hangchow is, of course, no exception. On August 22, shortly after the arrival of a secret order issued by the Ministry of Education allowing the Special Court to arrest students without warrant, about 100 men in uniform—whether they were soldiers or police I could not tell—invaded Chekiang National University. It was 4:30 in the morning. They controlled the bell-house and surrounded the dormitories.

After more than an hour's search, three students were arrested. Late in the afternoon two were released, but the other one is still in prison on charges of being a Communist agent. It must be pointed out that a schoolmate who was once a member of the Youth Corps served as guide to the people who invaded the school.

In our country personal liberty is only enjoyed to a pitiable measure. Anybody in the university can be arrested without warning. Under such conditions how can we devote ourselves to study?

WU HENG-YEN.

Hangchow
August 24, 1948

Disillusioned

To The Editor:

It is strange to report that recently I have undergone a great psychological change. A half a year ago or so I still had interest in reading the articles and letters from the people in your *Review*, which criticized the government. But now, all of these articles only add to my disgust. They seem to me, just as does the government, meaningless.

Many years have elapsed, many suggestions have been made and many hopes harbored by the people towards the KMT government. But what is the result? The facts have disillusioned the people. If there are still men who believe or concern themselves with the KMT government, they are either foolish or idiotic.

A STUDENT.

Wuhu, Anhwei,
August 4, 1948

大通國際商業銀行

THE CHASE BANK

Affiliated With

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Shanghai Office:

99 Nanking Road (O) Telephone 11440

Branches:

HONGKONG ◁▷ TIENTSIN ◁▷ PARIS

THE CHINA WEEKLY REVIEW
密勒氏評論報
A Weekly Newspaper Established in 1917

The editorial pages present each week the opinions of the editor. The other pages of The China Weekly Review are written by the other members of the staff and the contributing editors who report and interpret the news irrespective of the views expressed in the editorials.

Vol. 111 Shanghai, Saturday, September 4, 1948 No. 1

China's War Prospects

CHINA'S Civil War fronts have been comparatively quiet in the past several weeks. Except for some localized and insignificant skirmishes in Hopei and Shensi, there has been no large-scale fighting to speak of. However, this temporary calm is widely regarded as a lull before a rapidly gathering storm. According to press reports, "behind this facade of apparent quiet active preparations are being made by the Communists for a big push in the autumn." It is pointed out that "in all Communist-held areas, in Shantung for instance, Communist units are undergoing grand-scale regrouping for new operations."

Military observers believe that the center of gravity of future Communist offensives will be in North China, while harassing actions of a diversionary character will undoubtedly be launched in Central and East China, with the object of establishing undisputed Communist hegemony in Hopei, Honan and Shantung and strengthening the Communist position in Central China for an eventual thrust across the Yangtze River.

Nor have the Nationalists sat idly by. Similar troop movements and deployments are taking place over a wide area. It is rumored that several American-trained divisions will be sent to the front for the first time in coming weeks. Fresh troops are landing in a steady stream at Hulutao, from where they are ready to rush either northward to the strategic railway town of Chinchow or southward to the other side of the Great Wall.

The grand strategy of the Nationalists consists in doing everything possible to hold the Reds, in Manchuria and North China, at bay while concentrating all available forces for a last-ditch attempt to crush the Reds in Central China. The Ministry of National Defense, in reviewing the fighting in the first six months of this year, disclosed that the objectives of the Nationalists during the period under review have been to "preserve Manchuria, consolidate North China, defend north-west China and launch an active offensive against the Reds in Central and East China in order to frustrate Communist plans for crossing over to the southern bank of the Yangtze."

* * *

LOOKING at the war situation as a whole, most military observers are agreed that initiative in the fighting now is virtually all in the hands of the Reds. During recent months the Nationalists have chiefly stood on the defensive, only putting up a fight when the Reds attacked. It is true that General Fu Tso-yi has lately conducted several successful surprise raids into Communist territory, but strategically, the situation remains pretty much the same. General Fu still is in no position to engage any main body of Communist forces in a decisive battle at such a time or at such a place as he would like. The Reds in eastern Hopei reportedly encountered little difficulty in slipping out of the air-tight net the general had taken so much pains to throw around them. All his pains had gone for nothing.

It is quite possible that the Nationalists might try to steal a march on the Reds in Central China by striking first, but even that will not alter the basic fact that any Nationalist offensive in Central China under present conditions is of a defensive nature from the strategic viewpoint. The loss of initiative, it must be understood, is the most telling blow the Nationalists have received during the past year and it will bear on future developments in the military situation.

* * *

ANOTHER significant and interesting characteristic is a marked change in strategy and tactics. Actual fighting during the last eight months indicates that both the Nationalists and the Reds have modified their fighting methods. The former are changing from fixed positional warfare to mobile guerrilla warfare (at least they are doing so on paper), while the latter are changing from guerrilla warfare to positional warfare. This change presents an amusing contrast to observers.

Top military leaders and army commanders of the Government have long advocated a change in tactics through the abandonment of positional warfare in favor of mobile tactics. Field commanders in North China especially insisted that the way to fight the Communists is to use their own methods—to scrap positional warfare and embark on mobile tactics. General Fu Tso-yi is said to be applying these methods with some measure of success.

The Chinese Communists, for their part, are slowly but steadily changing over from their favorite hit-and-run raids into positional warfare as evidenced by their increased attacks and eventual capture of a good number of strongly-defended and heavily-fortified strategic centers such as Loyang, Weihsien, Shihchiachwang, Kaifeng, Taian, Yingkow, etc. Superficially, it would appear that the Nationalists and the Reds are changing positions. But the question goes much deeper. It signifies a fundamental change in the whole war situation.

A similar trend in political strategy is also visible. In order to conduct mobile guerrilla

warfare, which has to be fought chiefly in the vast rural districts, the Nationalists recently have made a big issue of agrarian reform. Dr. Sun Yat-sen's long-neglected land policy has received much attention once more. To facilitate their change-over to positional warfare, which largely means fighting for major cities and industrial centers, the Communists are reported in the press to be intensifying their propaganda about Communist policy toward industry and commerce. It need hardly be said that this move is designed to win over the industrialists and businessmen in the urban areas.

* * *

HOW this change in tactics is going to work out remains to be seen. But as we have had occasion to point out in a previous editorial, military theory and strategy are based on political and economic conditions. To talk about adopting this or that type of warfare without taking into consideration the necessary political and economic factors is like engaging in academic discussion on the efficacy of this or that political-ism. The plans mapped out by armchair strategists may sound all right in theory but don't work in actual practice.

Even Governor Chu Chih-chung of Hopei understood perfectly well that successful operation of guerrilla warfare calls for willing cooperation of the populace in the battled areas. He expressed confidence that with accurate, efficient intelligence work the Nationalists could hit right back at the Reds with their own weapons by keeping on the move instead of waiting for a formalized battle front to develop.

The question naturally arises: How will it be possible to enlist the willing cooperation of the populace and run an accurate, efficient intelligence service. The answer to this question is easier said than done.

The Communists also have their difficulties. The numerical strength of the Reds and their striking power have improved with alarming rapidity, as admitted by the Ministry of National Defense. But difficulties are manifold all the same. It is one thing to storm and capture a city; but it is quite something else to hold the city for any length of time and bring it back to normal so that it can contribute toward the war effort. This takes time. Besides, it requires painstaking hard work—a new type of urban work which is more complicated and more difficult than the work in the rural districts.

* * *

THE civil war in this country seems to be a long-drawn-out affair. The vastness of China's territory, the social character of the war, the relative strength of the warring parties and the complexity of prevailing world relations preclude any possibility of finding any quick or easy solution. To brag about wiping out the Reds, say in six months or in a year, has become a standing joke. It is just as ridiculous to predict that Nanking will be threatened with a serious revolt next October or that it will collapse in a matter of months. Things are not that simple in this country.

There is still a long and hard path to be gone over before the civil war can be brought to an end. It will take years, not months, to reach the journey's end.

Great Expectations

WHAT has happened on China's economic front between August 19, when the new currency was announced, and the end of the same month certainly was not too encouraging. None of the various rules which were expected to be issued and which were supposed to supplement the currency regulations actually was forthcoming. Among financiers and businessmen the reaction was more than merely bad and reports appearing abroad showed the disappointment of those who this time had hoped for a real reform and for genuine improvements.

Not that we doubt that the Government does takes its currency reform seriously. Nor do the bankers doubt it whom we have consulted. But what they doubt and what we, too, doubt is that half-way measures can help and that controls and police raids can substitute for the fundamental economic rules without which no currency reform can work.

Collecting foreign exchange, arresting black-marketeers and confiscating their money may help the State to get some more substance, but no one with the slightest economic knowledge will consider such activities productive. Yet, without applying productive means, the Government cannot expect to reach its goal.

To force commodity prices down for a couple of days and weeks, of course, cannot be the final goal. But while one can order a trader to sell at a certain price or not to sell at all, one cannot order prices to decline. No cop can force a single commodity price to decline. No regulation can order the people to have confidence. No law can normalize markets except the economic law of supply and demand.

During the 12 days which elapsed between the promulgation of the new currency and the end of the month, the Government has issued some more rules, its economic police have arrested some sharks, and informers have been given new chances. However, supplies of raw materials, foodstuffs and consumer goods in general were not increased during the same period, and it goes without saying that production, too, could not increase. In fact, there were no incentives either to produce more, or to produce better.

One may reply that nothing can be expected in so short a time. One may answer that some foodstuff prices actually did decline below their August 22 level—but they failed to decline to their August 18 level. While no one can call this a real success it is not correct either to say that the time was too short to issue those supplementing rules without which the whole reform may soon lose its practical value. In fact, when the Allies promulgated the West German currency reform a few months ago, they issued a whole set of well-considered rules which, within a couple of days, made the reform a success. State control was drastically reduced. Imports were boosted.

Everything was done to improve production. Nothing was done to discourage consumption.

Nor can anyone assume that no comparison is possible between the two reforms. True, there is no civil war in Western Germany. But there are thousands of destroyed factories, there is an undernourished population, there is the occupation by the Allied armies and there is, last but not least, the cold war between the Western Powers and not only the Russians but also their German satellites. No doubt, the position was not easy either. It was, on the contrary, very complicated with both economic and political issues involved.

We well remember that when the Allies accepted the American currency reform plan for Germany, it was generally anticipated that the scheme would be used for China's currency reform whenever it would be promulgated. However, when one reads the rules mapped out by the Americans for the new German money and when one compares the comments on its success with the comments on the Chinese money reform, it must be admitted that the scheme applied here differs widely from that applied there and that the comments, too, are going to differ.

The Government may still have some time to supplement its rules and regulations, but there can be no doubt that something has to be done very soon. And when we say "something" we neither refer to new restrictions nor to further raids. We refer to productive measures similar to those successfully applied by the Allies in Germany.

US Foreign Aid

WHILE most people realize that the United States has made large grants to countries abroad since the end of the war, the exact amount is a truly staggering figure. According to statistics of the United Nations Economic and Social Council, the American Government disbursed US$16,326,000,000 between July 1, 1945, and March 31, 1948. This figure does not include ERP grants and other credits as yet unused which total more than US$9,000,000,000.

US$1,457,000,000 was given to countries behind the "iron curtain," including US$468,000,000 given to Russia. Of this, US$1,122,000,000, or 77 percent, is not repayable, but was in the nature of outright gifts. Eighty-five percent of the 16 billion, or US$13,762,000,000, went to countries designated by the United Nations as war devastated areas. Thirteen percent, or US$2,119,000,000, went to Germany and Japan, while US$445,000,000, or three percent, was granted to other areas and countries, including Latin America and Canada.

* * *

ALTHOUGH we have been frequent critics of American policy abroad, including even the system and method of making financial grants, we must admit that the figure of US$16,326,000,000, plus the additional US$9,000,000,000, is very impressive and certainly demonstrates America's interest in world rehabilitation. Detractors and those espousing the Communist line may be expected to view these figures as "further proof" of America's intention of enslaving the world. However, the fact that very little of this money is repayable according to the grant agreements (probably none of it will ever be repaid if past experience is any criterion), discounts any such claim considerably, although though those of us who live in China fully realize how political considerations may enter into financial agreements between governments.

One thing that puzzles us, however, is just how much can be shown as results of this large expenditure. Undoubtedly grants to Britain and some of the Western European countries, which are well defined states with well defined governments, must have accomplished quite a bit. If the money had been spent in America, we could draw a pretty good picture of the possible results, even allowing for traditional American red tape and bureaucratic inefficiency. An American magazine, for instance, recently broke down the money to be spent on European recovery each year under the Marshall Plan and listed the number of things that could be done in each American county with this money every year. The list was staggering, including the building of hospitals and schools, improving public health services, increasing salaries of poorly paid officials, etc.

We who live in China are, perhaps, a little too easily soured on the idea of foreign loans. However, the experience of UNRRA, plus the various war-time loans to China seems to have given us grounds for considerable skepticism. Sixteen billion has been spent and nine billion is about to be spent. Let us hope that the sole result of current and future spending will not be merely an increased burden on the American taxpayer.

Disciplining Troops

THE question of what to do about the behavior of Chinese soldiers in Shanghai has been debated and discussed ad nauseum without anything much being done. The authorities, we can easily appreciate, are fairly well on the horns of a dilemma. If they discipline the troops, the latter may become even more disaffected than they now are and cause no end of trouble to the Government, while if the troops are not made to toe the line, the entire city will shortly be up in arms against the Government.

As things now stand various contingents of soldiers, some stationed here, some passing through on their way to Civil War fronts and some recuperating from wounds in local Army hospitals continually prey upon the city. The main target seems to be the theaters, many of which are regularly stormed by mobs of soldiery desiring free entertainment. Occasionally, various theaters have been put out of commission as a result of wrecking by the "buddies" of soldiers thrown out when they attempted to force their way in. Recently an irate group of soldiers of the vaunted Youth Army hurled a hand grenade into the midst of an audience in a theater which had caused them to "lose face" by

previously ejecting a few Youth Army men who tried to forcibly occupy paying patron's seats.

Not only are many theaters being regularly demolished, but business is constantly spoiled by large contingents of troops forcibly occupying seats already bought by civilian patrons, thus forcing the managements to refund tickets and give a free show. In addition, on the basis of the recent grenade throwing, it appears to be getting unsafe for Shanghailanders to approach theaters and other places of amusement, let alone enter them.

Another form of robbery is the continuous demand for free rides from the city's public and privately owned transportation companies. Buses and streetcar companies estimate that about one-third of their passengers ride free. In a way this is a more vicious practice than the storming of theaters. Theaters are, after all, places of amusement and are not indispensable. The bus and streetcar systems, however, are public services and it is absolutely necessary that they continue to function if the city's economic life is not to be thrown seriously out of joint.

When this free ride system for soldiers started shortly after the resumption of public transportation systems here following the war, the conductors and motormen resisted free riders, usually throwing them off the vehicle. However, the retaliation was swift. Soldiers, determined to regain the "face" they had lost by their undignified public ejection, returned with their barracks' mates and wrecked the "offending" streetcars and buses. After several streetcars and buses had been wrecked, not to mention the heads of conductors and drivers which had been cracked, the public service people apparently gave in and almost every streetcar or bus can now be seen with its "quota" of uniformed guests who ride at company and public expense.

The latest form of extortion to come into vogue in Shanghai is the alms for a wounded soldier racket. Restaurants, bars and all sorts of public places, plus private offices and even residences, are now being constantly deluged by individuals or groups who claim to have been wounded while fighting the Communists and who beg for money. Some downtown offices have been terrorized by gangs of seemingly genuine wounded soldiers on crutches, canes and sticks who crowd into offices and threaten the staff, beat on tables with their crutches and generally make themselves a menace until paid off.

* * *

CLEARLY the proper Government authorities have got to do something. Just how they are to remove this threat to public order we frankly can't imagine. No one could be so foolish as to say that the soldiers are not in need of entertainment and can't pay for it, nor that the wounded soldiers are not in need of financial assistance. However, it is up to the Government to provide recreation, medical care, etc. from taxation and not to ignore the problem.

We all realize that the Government is, for all practical purpose, nearly bankrupt and unable to meet this burden, but unless it desires the present trend toward chaos and anarchy to continue, it has to find a means. We might suggest, as we have countless times before, that the authorities try collecting, honestly and efficiently, if at all possible, a few sensible and general taxes from the public.

25 Years Ago In *The Weekly Review*

Blushes of Shame

September 1, 1923.

If China is to continue as a republic, and of this there can be no question, a strong, independent press is necessary—more, it is vital. Up to the present the profession of journalism in China has been of low repute, the newspaperman being held in little higher regard than the mountebank, which he usually was. And, we are sorry to relate, many foreigners coming to China for newspaper work have been little better than the popular conception of the Chinese journalist. A history of foreign journalism in China would, if honestly written, contain many black pages that would bring blushes of shame to the upholders of clean, honest journalism abroad.

* * *

China's Agriculture

China is the equal of any country on earth in her richness of natural resources, abundance of man power, and the extent of arable land, to which is coupled a favorable climate for a wide range of plant growth and crop-production and a wealth of rivers and streams for irrigation. Therefore, to China, agriculture is life and because of her agriculture China has always been noted in the history of the world. But as civilization has advanced and science has found employment, other countries have availed themselves of every opportunity offered by science and have made rapid progress, while China has stood still or practically so in her acceptance of the teachings of modern civilization. Her agriculture is today just what it was centuries ago. There is no evidence of any improvement whatever.

10 Years Ago In *The China Weekly Review*

Trade With Japan & China

September 3, 1938.

Since the beginning of the Sino-Japanese hostilities the statement has often been made by persons who call themselves practical realists that the United States should support Japan for the practical reason that Japan's goodwill and business is worth more to America than China's..... Fortunately, an American businessman in Shanghai, who prefers to be known as L.M.M., has made an analysis of America's trade with China and Japan and has found that our trade with China, while considerably less than our trade with Japan is, nevertheless, of more social benefit to the American people. In other words, our trade with China actually creates more prosperity than is the case of the trade with Japan.

* * *

Up and Coming

Yesterday the Southwest (of China) was backward in many ways, but today it is a land of *planning*; and tomorrow it will bring about many important changes in the industrial development of the country. It is not a probability but a certainty in view of the fact that both the government and the people appear determined to take advantage of the situation to develop the interior, to remove industrial centers to the interior, and to remedy the evil of a concentration of wealth in a few coastal cities which has brought about the abnormal and unbalanced development of the country.

SHANTUNG SITUATION DETERIORATES

Isabela Mong

IT is a recognized fact that due to the suspension of communication lines, especially railroads, Tsinan has become an isolated island. Repeated military setbacks by the KMT troops during the last several months have caused unprecedented confusion among the 700,000 Tsinan residents.

The outcome of the two decisive battles of Ch'ang (Changluo), Wei (Weihsien) and Yanchow made the people realize that no matter how modern the Nationalist equipment was nor how sweet their promises, they could not eliminate the Communists and they were unable to win popular support.

Fighting Capacity Low

Formerly, people over-estimated the fighting capacity of the Nationalist troops and looked down upon the so-called "pacification soldiers." But the experience of the two above-mentioned raging battles proved such a viewpoint incorrect.

In Weihsien, the pacification troops with their poor equipment could fight a half-month's bitter battle in the suburbs. But soon after the Nationalist 96th Army encountered the enemy (not more than one day) the town was taken over by the Communists. And besides,

1. Ch'en Chin-cheng, Commander-in-chief of the Army was captured.

2. The chief of the army general staff, Wang, turned out to be a Communist.

3. Chang Ten-Tzuo, Chuan Yan (Special Commissioner) of the 10th Administration District of the province and concurrently member of the Provincial Government Committee, committed suicide.

The 25 day battle at Yanchow was even more severe than the previous battle. At the conclusion of the fighting, i.e., several days before the Nationalists left the city, Communist spies could be found everywhere. According to one estimate, nearly 300 persons including some military officials were shot by the military authorities because of their treacherous action.

A special service battalion of the Tenth Pacification Area, all the way from colonel down to the lowest ranking soldier, was said to be Communist. This battalion played a leading role in helping the Communists win the battle. The Nationalists' loss in this battle was great. The 111th Division and a part of the 112th Division were crushed. The Commander-in-chief of the 12th Army, Ho Show-yi, was captured by the Reds.

From the above facts, we can conclude that despite the fabulous propaganda of the Nationalists, their position is much more critical than it was a year ago due to increasing internal weaknesses.

Ever since the Communists started their spring campaign, it was evident that their policies were drastically changed. When capturing a town now, they proclaim before the "lao pai hsing" that the "tu cheng," the class struggle, would not continue, since it might create confusion among innocent residents. They did not go on mobilizing groups to organize various kinds of corps and unions because this action might throw the traditional concepts of the Chinese into chaos. They further called for the "return home campaign" of the landlords and well-to-do farmers who escaped from the liberated areas and are now living in Kuomintang-controlled districts.

Many people who suffered bitterly from the deplorable economic conditions have been forced to go back to their former homes. Possibly these Communist promises are deceptive and made only to meet the temporary needs of the situation and win popular support, but in view of the KMT window-dressing and unrealistic Utopian sounding reforms, the Communist tactics are dealing severe blows to the Nationalist position.

Confused Civilians

There is no denying the fact that the low morale of the Nationalist troops not only endangers the present condition of the KMT, but also creates great confusion among the residents, especially in the rural districts. Two months ago, I interviewed an old woman in a village about 50 miles east of Tsinan. She wept and told me that she had been robbed of all her millet flour cakes by the "self-defense" soldiers. She did not even have one cake to eat for two days. At about the same time, I visited an old friend who lived in a village near Kuo-tien, a small railway station on the Chiaochi railroad.

Upon my arrival I was greatly surprised by what I saw; there were no men and no aminals to be found anywhere on the street. My friend was not at home. His wife told me that he had fled to the valley at daybreak in order to escape forced labor on the fortifications. She added that all able-bodied persons from the age of 10 to 60 are forced to do something for the troops. The Nationalists make a search for all able-bodied persons each morning. The woman continued, "Soldiers are like robbers. They force us to lend them everything that we have, but very seldom do we have our things returned to us. They borrow our cows, capture our hens, pigs and even dogs in order to feed themselves."

When I was about to leave, a soldier came in. He intended to drive the household cow away but not before I asked him "By whose command?" The soldier looked at me a while and went away. The next day the soldier came again but he was greatly disappointed to find that the cow had been moved away to the home of a relative.

"Escaped" Soldiers

Many people believe that the greatest indication of the weakening of Nationalist troops' morale is the increasing number of "escaped" soldiers. A political director of a certain regiment told me that in a recent battle near Ta-wen-kow, many of his soldiers "escaped" without taking their guns. I asked him why they did not carry their guns and he said that they knew the Communists would not shoot them when they had no weapons. This is an obvious indication that some of the Nationalist troops fear the Communists and have lost confidence in their own fighting ability.

* * *

It would be unfair to place the blame for the aforesaid military shortcomings on Governor-General Wang Yao-Woo, as most of the Nationalist troops stationed in Shantung are actually directed by the Ministry of National Defense. But certainly General Wang should be responsible for the morale of the "self-defense troops." The soldiers' ridiculous payment might be one fundamental factor in causing poor morale, plus their lack of training and education. All these weaknesses help to worsen the overall Nationalist position.

As to his personal character, it is generally felt that Governor-General Wang is a brave and upright man, but that he lacks stability. He is often discouraged by his defeats. His henchmen, it is said, most of whom are southerners, only know how to fight Communists with US equipment and are ignorant of the political and economic techniques necessary in propaganda warfare.

STRATEGY OF STRIKES IN FRANCE

Jacques Decaux

July 27 (by air mail).

FOR a month France was troubled by strikes. Simultaneously there were strikes in Turin, the London dock workers struck, the Belgian metal workers struck. After the strike of workers at Clermont Ferrand, France watched civil servants in financial organizations leave their offices as a protest against conditions of work. Petro Secchia, Italian communist, in an article in the Cominform organ, said: "These strikes must not remain isolated incidents, solely economic in aim. The unions must use them to unit the struggle for cultural reform and economic and political progress." There is no ambiguity in this statement, no blurring of the fact that political reforms were considered essential to achieve economic reforms.

But while the communist strategy has been able and has met with a great response, it has had its difficulties. During the Clermont-Ferrand strike the whole middle-class was against the workers, and the communist paper *l'Humanite*, striving for its support, had to explain that better livelihood for the workers would in turn bring better conditions for the middle-class.

They are hampered, too, by a depleted treasury. An official report of the Metal Workers' Union, for example, showed that its balance had dropped from more than 13 million francs in 1946 to less than 2 million in 1947, while the unions which owed the communist-led General Federation of Labor (CGT) 11.9 million francs in 1946, owed 16.8 million in 1947. Within the CGT itself there had also been signs of a split, and two new unions, independent of the CGT, had attracted a considerable following.

Morale Dropped

Sometimes morale among the strikers dropped. The report of the Metal Workers' Union pointed this out, complaining of the difficulty many members found in continuing their payment of dues during strikes. "Nobody," it said, "will go on strike without being certain of getting strike compensation from the first day of the strike. The idea of common sacrifice....is totally lacking. The Union statutes provide for payment after the first week of the strike, and only to those who are up-to-date in their payment of dues and who have at least a year's membership. Now the statutes are forgotten. One local pays from the first day of the strike, and every other local follows."

The unions have had to adopt new tactics for reasons of economy. Fewer strikes, more localised, but in key industries that will tie up other industrial operations. Production is disrupted, the workers kept on their mettle. The low morale among the workers makes leadership and organization important, but the effectiveness of this strategy can be seen in the underground railway strike at Paris in June. By cutting the electric power supply the strikers were able to stop the whole network.

Socialist Minister of Labor Daniel Mayer, anti-communist and clear thinking enough to see the danger to his government, is too much a partisan in party quarrels to act. Outmoded, undecided, he is surrounded by the very men least capable of making an effective and strong decision. In the end it is the Socialist party which loses because its policies raise no enthusiasm. And the workers are left with the two alternatives — communism or De Gaulle's proto-fascist Rally of the People.

* * *

July 30.

PERHAPS the best thing the Schuman cabinet did was to fall. Robert Schuman and his team were probably no better and no worse than the average run of the mill cabinet. Beset by all the weaknesses of Social Democracy, it had tripped on the ratification of the London agreement on Germany, and stumbled over the question of ERP bilateral agreements. It finally broke its neck over the paltry matter of an extra 4 billion francs in the defense budget.

After its fall the Socialists were worried because, as Blum pointed out in his *Le Populaire*, a new government could technically be formed without their assent. President Auriol may actually have considered forming a purely Socialist cabinet, but the Popular Republican party (middle-of-the-road, opposed to both Communism and de Gaullism) would have voted down the proposal, though unwilling to take responsibility for government. In the end Auriol brought in a "radical", ostensibly to enlarge party participation, but carefully curbed in the person of Paul Reynaud, who announced on taking over the Ministry of Finance that he was doing so on the understanding that his liberal economic policies would be followed.

After a period of place-hunting, and a fight with the Socialists, who upheld nationalization of industries, Andre Marie's cabinet was born. If nothing else was certain at the moment of birth, it was obvious the child couldn't live long. Every decision depended on inter-party bargaining, in return for its consent to a measure each party demanded something for itself, and the conditions that made for Schuman's fall were still present. One of these was the date of the next elections.

Actually the Socialists agreed to Marie's taking power on the understanding that he would take no action on the election date, and if possible postpone it 'sine die'. Marie, wishing to displease none, threw the question to the National Assembly, and gave the Socialists a nightmare. No one knew better than the Socialists that they were in danger of losing their electorate to the Communists, or, probably in the majority of cases, to de Gaulle. And no one had any doubt as to their unpopularity or their failure to represent national opinion. Yet none of the Socialists were eager to lose their seats or see their cause overwhelmingly defeated.

The second major problem is economic. Reynaud is clever, an adept at political maneuvers, a man with rational solutions to many economic problems. The rise in stock exchange quotations when he came into the cabinet demonstrated his prestige in financial circles. But he is also a remnant of the Third Republic, and an opponent of socialism in every form. Former Finance Minister Rene Mayer merely echoed him when he attacked the Socialists for enforcing the withdrawal of 5,000 franc bills in return for acquiescence in his financial program and destroying the confidence of the people. Reynaud, however, is likely to take a stronger line, and to ask for at least eighteen months to carry out his program, a proposal certain to meet strong opposition and possibly defeat. Its defeat may bring Reynaud's resignation, which would lead to the downfall of the cabinet, openly regarded as a Reynaud cabinet using Marie as a front to attract the Socialists.

Helps De Gaulle

With this midsummer madness and pre-election fever, no government can hope to govern, and has little chance of retaining honorary power for long. Instead, each one helps to give General de Gaulle more of the air of a prophet. De Gaulle has condemned the National Assembly for its inability to reflect public opinion and for its separation from the feelings of the country, blaming its difficulties more on its members than on the Communists. Meanwhile the politicians, posturing as "wise statesmen", concern themselves more with wordy defense of "The Republic" and "Democracy" than measures to repair France's damaged economy. In three years France's financial position has deteriorated so rapidly that it might well collapse but for ERP payments, yet the representatives of the people find it more profitable to continue factional fights than trouble themselves with the more important matters of government. Their fear of the electorate demonstrates — if other proof is wanted—the utter lack of confidence the French people have in them, and their desperate efforts to postpone the elections have about them all the air of dictatorship. Perhaps a threadbare dictatorship, one that has failed to remove opposition. The sad thing is that they only help to push France nearer to a much more evil and avid dictatorship of the Right.

Should Co-Education Be Abolished In Chinese Secondary Schools?

Ho Chi-kai

WHEN the Ministry of Education suggested last spring that in all secondary schools, including normal and vocational schools, co-education should be abolished, concern was expressed by educators throughout China. If this suggestion should become law, a major upheaval in Chinese educational circles would result.

Co-education in China began in the 1920's when a few progressive colleges opened their doors to women. Later on, a number of secondary schools followed suit, and co-education in all grades of schooling has drawn widespread acceptance ever since.

But the Ministry of Education does not seem to be satisfied with the present set-up. In its "suggestion," it implies that co-education should be done away with for the following three reasons: (1) in order that individual students may be better adjusted; (2) to increase the chances for schooling for girls; and (3) in order to keep pace with world educational trends. (In the USSR, for instance, the co-educational system has recently been abolished.)

Reasons Not Valid

Since to me, at least, the above reasons do not seem valid, I should like to examine them one by one and let my readers judge for themselves.

As to the first (better student adjustment), we must certainly admit that between the sexes there are a number of differences, mental and emotional as well as physical. Girls, for instance, are generally found to be more patient and persevering than boys. They excel in such things as attention to detail, in constructing concrete hypotheses or in picturing definite situations by the aid of the imagination, in rapidly extracting the meaning of printed statements and in wording answers to specific problems.

Boys, on the other hand, are more logical, self-critical and methodical than girls—they are less verbose and less easaily influenced by emotional considerations. In the field of special abilities, boys are better in arithmetic, while girls are better in reading and spelling. Boys have greater mechanical aptitude than girls, while girls have a better color sense than boys. Boys are inclined to be interested in material objects; girls are interested primarily in people. Boys are more aggressive; girls conform more easily. And so it goes.

Differences Exist

We grant, then, that there do exist differences in the abilities and aptitudes of boys and girls, men and women, but it must be remembered that the greatest differences are between individuals *as individuals* and not as members of either sex. As F. N. Freeman said in his book, "Individual Differences," insofar as educational procedures are concerned, "mental differences due to sex need not play an important part, for particular strengths and weaknesses and the ability to learn are matters of individuality." The fact is that most psychologists insist that individual differences are enormously greater than sex differences.

Therefore, from the above we can conclude that the first reason—better student adjustment—given by the Ministry of Education for the abolishment of co-education is fallacious.

The second reason—to increase the chances of schooling for girls—can be discredited quickly and easily. According to the Constitution of China, boys and girls must be granted equal chances for education, which, of course, could be accomplished in separate schools. The sad fact is, though, that China does not have enough secondary schools of any kind, not to mention the economic means to build a whole set of new schools to accommodate a separate sex system. What would happen if such a system went into effect would be that the luckier of the girls would be relegated to the worst schools, while the majority of them would lose out on their schooling altogether.

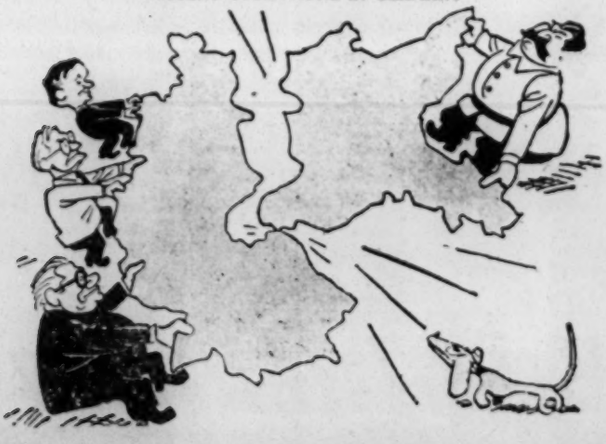
The third reason given by advocates of separate schooling for boys and girls is that of keeping pace with the world educational trend. It is true that Russia, the great socialist State, abolished co-education in secondary schools in 1945. It has been reported from Russia that the students' efficiency in learning has greatly increased since then. However, it must be remembered that the USSR's "official reports" would hardly discredit a State-established system, and therefore must be taken with a grain of salt. In addition, the USSR had specific reasons for adopting a single-sex system of schooling which had to do with its own peculiarities of social and educational development. Since China and the USSR can hardly be judged on the same basis, Russia's reasons cannot be considered *per se* to be valid for China. Analyzed, they show that co-education was abolished, not because of its dangers and drawbacks, but in order to meet new and urgent needs created by Russia's expanding economy.

US Co-education

America has had co-education since it was founded. One seldom hears adverse criticism of its results. The French and English have both systems and do not seem to feel the need to discard one in favor of the other. Recently, F. E. Moreton of London University did some research into the attitude of teachers and scholars toward co-education. I should like to present his results here briefly.

Moreton approached this problem from three angles. First, he devised a questionnarie which he sent out to 4,000 teachers. 1,418 replies

"PRESENT OPERATIONS IN GERMANY"



The above French cartoon attempts to show the rending of Germany into two parts. Western Germany is being tugged at by England's Bevin, America's Truman and France's Bidault while Russia's Stalin works on the eastern part.

were received, from which he drew the following conclusions:

(a) Their answers revealed that most teachers were in favor of co-education.

(b) Of special note were the opinions of teachers that co-education did not increase difficulties of discipline, and that in mixed schools the influence of the sexes on each other's development is a good one. On the other hand, opponents and some supporters of co-education considered that the presence of the other sex might distract puplis' attention from their work.

(c) Of teachers educated at co-educational schools, a large majority had found their experience helpful in their relations with the other sex. Of those educated at single-sex schools, a large majority had found their education harmful in this respect.

Sex-Equality Attitudes

Next, Moreton devised a questionnaire especially designed to test attitude towards sex-equality, which was sent out to "old scholars" of a number of Quaker boarding schools, both co-educational and single-sex. 592 persons replied to the questionnaire, 341 from co-educational and 251 from single-sex schools. Four conclusions were arrived at:

(a) The attitudes of the two groups showed no significant difference.

(b) Answering the same question concerning the effect of their schooling on their relations with the other sex, their replies were similar to those of the teachers.

(d) There were no evidence that co-education encouraged or discouraged flirting, as compared with single-sex schools.

(d) Those old scholars educated at mixed schools strongly supported co-education, while those from single-sex schools were almost equally divided for and against.

Finally, Moreton paid personal visits to seven Quaker schools, four of which are co-educational. Three conclusions were reached:

(a) Only some of the mixed schools (none of the single-sex schools) took into consideration the children's future sex life and marriage.

(b) The single-sex schools made no provision for training in emotional control, beyond that afforded by "art". The mixed schools claimed that the presence of the two sexes in one school was essential for right emotional training.

(c) There was no evidence in the mixed schools that co-education makes discipline more difficult.

Understanding Essential

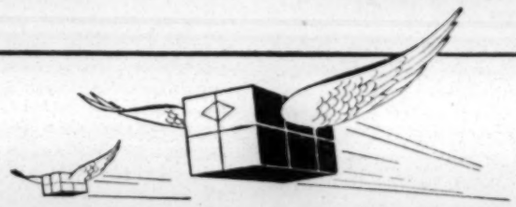
In conclusion I wish to present the following observations of my own. Since society is composed of two sexes, both just about equal in numbers and importance, their understanding of each other is essential in the modern world. The best way to promote understanding is through close association, especially in the formative years. Since China is being forced to emerge from feudalism in order to compete with more progressive nations, she should not hamper her progress by reverting to the single-school system, for that would be but a symbol of backwardness.

From an economic point of view, since the total amount of the national budget allotted to education in China is only 15 percent (that is the published figure—actually, taking the Civil War expenditures into consideration, it is probably far less than that), China obviously cannot afford to establish more secondary schools for girls. She should use what educational funds she has to improve already existing schools, rather than spread them so thin that their weight will not be felt at all.

Send it by

CLIPPER CARGO

Faster!



Clipper Cargo offers fast delivery to 6 continents. And we route your goods straight through to any place in the U.S.—any place in the world—on one PAA airway bill. Clipper flights are frequent—always dependable.

Clipper Cargo offers extra low rates on bulk shipments of 100 lbs. or more. And careful handling reduces packing and crating cost.

WHETHER YOU SHIP OR ORDER, Clipper Cargo is good business. It permits you to carry less inventory . . . to develop old markets more economically and "sample" new ones faster. Just call —

General Agents: C.N.A.C.
Cathay Hotel, Shanghai
Phones 15757 and 19229

PAN AMERICAN WORLD AIRWAYS
The System of the Flying Clippers

LAND REFORM IN FUKIEN

Chen Yung-kuang

FUKIEN today is what is known as one of the comparatively safe provinces in China. Ever since the end of the war her position in this country has become more important to the development of the nation and she is, at present, an interesting object to view from the aspect of land reform—a much talked about but often misrepresented phrase.

In 1946, the Fukien provincial government drew up a new plan of land reform which was based on the Central Government's land reform law of that year. In drawing up their reform, the province adjusted the Central Government's law according to practical considerations of the day and sought to achieve the goal of "the tiller of the soil must become the owner of the soil" through evolutionary means.

Geographically, Fukien is one of the most mountainous provinces in China with only one percent of the land under cultivation. Two and two-tenths mow of land is the average held by the peasant.

At present, the overwhelming problem here is the unequal distribution of land. It has been reported that 65 percent of the farmers in Fukien own no land and have to rent a small piece from the landlord in order to eke out a living. Because of the scarcity of cultivated land, rents are always very high. Generally speaking, the tenant has to pay from 50 to 80 percent of his crop for rent. In addition, each different place has its own additional forms of demands on the already overburdened peasant.

As far back as 1942 a number of agricultural experts set to work on a suitable land reform system. What they came out in favor of can be divided into two parts, the compulsory and the evolutionary.

Compulsory Reform

The compulsory method of land reform was first put into operation in Lungyen, a county in west Fukien, a mountainous district containing a minute portion of cultivated land. Of an estimated 180,474 mow, less than nine percent was under cultivation. The rest lies idle. Because of a lack of industry and communications, the vast majority of the population were farmers. In 1929, the Communists occupied the area. During their stay they expropriated all its private land and distributed it to the villagers by dividing all the farms among all the people of each village. In 1935, the Chinese national army took over and tried to restore all landed property. However, the effort was in vain. Thus, in order to meet the complicated and unusual conditions of Lungyen, the Fukien government had to adopt compulsory methods to attempt land reform. In 1942, according to the Government land reform law of that year, it divided its program into three parts:

The first step was to get an estimate of all privately owned land. The land owner was to report all his property to the government within a specific time limit. Officials were appointed to investigate the price of land during the three previous years in an attempt to calculate the average price of land in the country. Afterwards, mass meetings were held in every village to go over the average price of land. Based on the solutions arrived at during these meetings, the price of land was finally set and officially proclaimed by the Government. Then, the Government used money from the Farmers' Bank to purchase all private lands. However, because of inflation, the calculated average price for land became unreasonably low. Therefore, during the later period of reform, in an effort to overcome the difficulty met in the early period, the Government allowed the people to engage in free trade with land, limited by provisions in the land reform law.

Land Distribution

The second step was the distribution of the collected land. By doing this, the government had to first get an accurate census and the total annual yield for every piece of land. Regarding distribution, the village was considered as one unit and the principle used was each family should own land sufficient to support four people. However, adjustments were to be made between families, large and small, as well as with productivity, high or low.

The third step was the protection of the land reform system. To restrict the transference of land, no dealings in land were allowed unless the Government gave its official sanction. The Government also had the prerogative of buying land. For the sake of maintaining the productivity of the land, the Government paid much attention to the use of the distributed land. Whenever it deemed it necessary it could authorize the Farmers' Bank to grant loans to poor farmers in an effort to aid their cultivation.

Land reform in Lungyen began in September 1943 and by the end of 1947 its accomplishments included the distribution of about 262,458 mow of cultivated land to 32,242 families totalling 127,337 people. On the average, each family received 8.5 mow. In the last three years of land reform, Lungyen has witnessed an increase in agricultural production, improvements in the livelihood of the farmers and an accurate census. However, it is still far short of its goal and difficulties remain to be solved.

In addition to the compulsory method, there is the matter of evolutionary land reform as represented by Paonungshe, (保農社) a farming cooperative, the center of all such activities. A pao (the unit of political organization in China, usually consisting of 100 families) or a village is used as a unit and its numbers have been limited to the ranks of the tenant and semi-tenant. According to this system, all farms are rented by the Paonungshe from the landlord and are distributed to the tenants who formerly cultivated them.

In addition, the Land Law states that no rent shall exceed 37.5 percent of the total crop. The Paonungshe also has the privilege of developing barren land and helping tenants purchase land from the landowners so as to give them the opportunity of cultivating their own land.

Farmers' Movement

Paonungshe is not only a kind of a cooperative but it is also a farmers' movement whose main purpose is to help the farmer establish a strong organization in order to help them become the mainstay of any land reform. This is an active and direct method of reform which is quite different from that of Lungyen. Through the efforts of Paonungshe the Government is able to improve the technique and the instruments of cultivation thus making Paonungshe the main bridge over which to pass in the journey from small-scale farming to large-scale farming. It has also been considered a peaceful effort at land reform in Nationalist China.

The regulations of Paonungshe were approved by the Executive Yuan in the spring of last year and the system has been in use in Fukien since to serve as an experiment. Since it was a new organization, at its inception both the people and the officials were inexperienced and an attempt was made to set up two Paonungshe in each county. As a matter of fact the development of Paonungshe in Fukien province has been rather uneven because of the different conditions in different localities. There are now about 159 Paonungshe scattered throughout the province with some counties setting up ten and others setting up only one. Some have been able to overcome the natural resistance and the power of the landlord while others have not, because the power of the landlord is often strong enough to prevent any beneficial action by a Paonungshe.

The success or failure nearly always depends on the ability of the officials in charge. Hence, the authorities have instituted a short training program for would-be officials from Foochow and Linshan hsien. Some of those who have taken and completed the course have gone into the villages to work with the Paonungshe and have done a great deal for the people and won their respect and support. Although there are a great many difficulties to face, it is felt that Paonungshe is one method of land reform suitable not only for Fukien, but for other provinces in China.

OVERSEAS CHINESE IN THE USA: A SOCIOLOGICAL ANALYSIS

N. Q. Tse

A BRIEF study of the Chinese overseas in the United States is well worth our time and attention, for this subject is of interest not only in academic circles but to all of us who recognize the importance of socio-cultural adjustment as a basic component of international order.

As I see it, Chinese overseas in America as a group comprise a unique barometer of the ups and downs of American-Chinese relationships. Their state of mind reflects directly the understanding, or lack of it, existing between the two nations.

Sociologically speaking, this group of overseas Chinese are living in a state of political confusion. Having had little or no opportunity for previous political experience in their mother country, and having experienced disorder, chaos, maltreatment and poverty at home, they are eager to make the most of whatever financial and political opportunities they may find in the States. Unfortunately, partly because of their own inabilities and partly because of the peculiarities of American democracy, whose high sounding principle of freedom of expression is sometimes belied by discrimination and intolerance, the Overseas Chinese are often frustrated and disappointed. This may lead to the development of an incoherent type of mentality whose attitude is apathetic and indifferent toward government. They feel ostracized from their home government in China and reports of political instability, economic crisis and natural catastrophies tend to make them pessimistic of its future. Toward the government of their adoption they feel skeptical, for they are confused by the contradiction between its stated political principles and their interpretation by so many of its politicians, labor leaders and political candidates.

Live In Cities

Overseas Chinese are generally poor and hardworking by American standards. Most of them live in congested areas in cities, and have neither time nor opportunity for recreation and self-improvement. In spite of this, they are effective agents of revenue for China through the medium of overseas remittances. Though the total earnings of Chinese in the United States are unknown, social workers in Chinatown areas estimate that in normal times more than 40 percent of these earnings are sent home to relatives in China; 30 percent goes for food, clothing, rent and other necessities; eight percent for contributions to various national and charitable causes in China; 10 percent for savings; and 12 percent for taxation and miscellaneous expenditures.

The reason for such a large percentage of earnings being sent back home lies in the basic structure of China's family system. One of the principle motives behind the journey of a Chinese to the United States is that of acquiring wealth for his family. This wealth is looked upon not so much as a desirable thing in itself as it is a means of keeping a large family unit going, for a large family, in Chinese eyes, is the best social and spiritual insurance its individual members can have. Those who know the history of China will have no difficulty in recognizing the great contribution which Overseas Chinese have made to their homeland in terms of national, provincial and village reconstruction. Dr. Sun Yat-sen was sincere and discerning when he conferred upon them the title of "Mother of China's Revolution." The pity is that they are able to do so much for their families and country only by practicing almost superhuman self-denial and constraint.

Two Cultures

Overseas Chinese are both industrious and conservative. They are influenced by two distinct cultures; yet, while drifting away from their own traditions, they have refused, or have been unable, to be assimilated into their adopted culture. This leaves the average Overseas Chinese a sort of marginal man, a cultural and biological hybrid whose reasoning and actions are characterized by this binomial attitude.

Overseas Chinese, as a group, have played a large part in promoting cultural exchange between China and the US. They have introduced to the American public Oriental art, literature and fashions in eating and dress. They have brought back to their homeland such customs as kissing, dancing, dating, divorce, spirit of sportsmanship, a taste for technological conveniences and desire for technological knowledge—to mention just a few.

The US census of 1940 reports the Chinese population in the States to be 77,504. Some writers and students put the figure as high as 100,000, but a fairer figure would seem to be around 80,000. Of this total, about 85 percent are in the workers' category—i.e. workers in launderies, shops, restaurants, and other fields of manual labor—while the remaining 15 percent comprise the so-called privileged class which consists of students, professors, officials, temporary visitors and wealthy merchants. Some of the Overseas Chi-

THE FAR EASTERN ENGINEER

"The leading Engineering Journal in China"

August Issue

NOW ON SALE

Price per copy: CN$3,000,00

Contents:

The Chientang Seawall
Size, Speed and Economy
Drying With Electric Lamps
Twist Drills
China's Post-war Cotton Industry

Civil Aviation
Textile Supplement
Transport Notes
The Students' Corner
Chinese Section
Technical Literature

Obtainable at:

A.B.C. News Company .. .. .. 391 Szechuen Road, (C)
Chinese-American Publishing Co. .. 160 Nanking Road, (E)
Kelly & Walsh Limited .. .. .. 66 Nanking Road, (E)

or directly from the Publishers

THE FAR EASTERN ENGINEER 117 Hongkong Road

nese are American citizens, while others are not. The number in the first category is constantly increasing. Practically all of the Chinese in America originally were natives of Kwangtung, especially its four well-known districts in the southwest. The district of Toyshan alone, according to an unofficial estimate, is said to have been the home of more than half of them.

Opportunity And Discrimination

The individual Chinese's chance for favorable adjustment in America is largely in the hands of chance. He will encounter opportunity; he will encounter hampering discrimination—both of which exist in the democracy of America and are primary factors in his new life. During the last few decades the Overseas Chinese in America have gone through several stages of critical adjustment. An emotional atmosphere dominated the period of Chinatown incipiency from 1850 to 1880—the glamour of a new country, the romantic fallacies of gold-getting. This emotional stage was soon weakened by the challenge of a new legal force. As the pendulum of America's industrial machine swung to a faster rhythm and as more and more immigrants poured into the country to take their place in the expanding industrial economy, the American people as a whole became fearful lest the large groups of foreign stock dominate and overbalance their newly organized nation. The result was strong move toward legislation restricting immigration, and the existing foreign groups, such as the Overseas Chinese, bore the brunt of much public ill will, becoming scapegoats for the attacks of unscrupulous politicians and labor leaders.

With the urgency of the social trend on the one hand and of political compulsion on the other, the Overseas Chinese have been compelled to re-examine themselves and to adopt a new attitude of realism. No longer can they maintain their traditional attitude of indifference if they wish to compete successfully in the new America. The old way of dual loyalty and dual citizenship has to be redefined. Even their individualistic behavior and mores, practicable in China and admired internationally, must be renovated in the light of rapid technological advancement. Thus we find that the Overseas Chinese in America are tending toward a dynamic process of Westernization, for it is the only way to survival. Changes in the American Chinatown illustrate this. It is becoming far less Chinese; physically, insofar as buildings and ways of living are concerned; and morally and culturally, in its attitudes, ideologies, family set-up, business techniques and so on.

Of course, the future of the Overseas Chinese in America does not depend so much on what he does or what he is as it does on the community at large and what the US Government is in a position to offer him as benefactor or protector. The success of the Overseas Chinese depends largely on the opportunities, recognition, cooperation and real understanding given him by his American friends and the government of his adoption.

The Week's Business

DURING the week ending September (Wednesday) 1st, trading remained reluctant as businessmen waited for further developments following the promulgation of the new legal tender. Retail foodstuff prices which had soared rapidly immediately after August 19, the date of the Government's new currency announcement, declined somewhat during the week under review but in several lines failed to decrease to their August 19 level. Nevertheless, on the whole a certain degree of improvement could be witnessed.

Matters were less promising on both the commodity wholesale market and the finance markets. Wholesale prices recovered shortly after August 25 when money proved to be less tight than had generally been expected. While the official interest rate for commercial banks is fixed, for the time being, at 10.5 percent per month with reduced rates foreseen for coming months, moneylenders were reported to have lent money for less than ten percent.

On Wednesday, commercial banks decided to reduce their interest rates to nine percent per month although a previous decision of the Bankers' Association had fixed the rate at 15 percent per month.

Because the money market was comparatively easy, interest again was focussed on commodities, particularly since large idle funds were at the disposal of would-be buyers. Such funds, according to financial quarters, partly originated in the sale of foreign exchange and gold to The Central Bank and partly in remittances from the interior where apparently people believed that opportunities are better in Shanghai.

With the Economic Police watching all markets, however, the turnover was relatively small. In fact, semi-official reports listed five markets as "closed" or reported "no business done" throughout the week under review. While business might have been done from office to office with the aid of private brokers, business on the markets themselves certainly was small.

Interest in commodities was particularly strong because of the Government's keeping the Stock Exchange closed. While the public generally had expected tho Exchange to be kept out of business for not more than a week, a Nanking report on August 31 claimed that the Government would not consider the reopening of the Shanghai and Tientsin Stock Exchanges in the near future despite several appeals of banking groups and associations. While the stock market must be expected to be out of the picture for quite some time, the Ministry of Industry and Commerce has instructed the China Textile Industries Inc., Government-owned concern, to have its shares issued within a week. It was disclosed that 70 percent of the shares will be kept as reserve for the new currency, while 30 percent will be put on the market. In this respect, bankers wondered why on one hand the Exchanges are to be kept closed, while at the same time new shares of Government-owned companies are to be offered to the public.

Meanwhile, reports from South China indicate that in Canton, the price of gold on the open market declined below the official quotation. The report claimed that speculating buyers of gold on the open market purchased an ounce at GY$190 per ounce and sold it to government banks at GY$200. No confirmation of that peculiar report was obtainable at the time of printing.

On September 1, the four National Banks decided, and accordingly informed their branch offices, that for the time being no applications for new loans of any kind would be accepted. The banks also decided that the highest rate for loans granted by the four National Banks should not exceed three percent per month.

Another item of general interest was the ban on exports of edible oils. While no shipments to foreign ports are allowed for at least three months, shipments to South China ports may be carried out after a licence is obtained from the Export-Import Board. Intended to keep local prices of edible oils at their August 19 level, the new rule hit exporters who, immediately after August 19 offered shipments to prospective buyers abroad.

On Wednesday, the last day under review, the turnover on the wholesale markets showed new declines. On the silk market, prices offered by exporting buyers were far below the sellers' quotations so that business was almost at a standstill. Business in cotton yarn was extremely quiet, at least on the official market where prices were still below the August 19 level.

Quotations

	Aug 18 CNC$ (000 omitted)	Sept.1 GY$
Wheat Flour	22,700	6.70
White Rice, first	63,000	20.60
Peanut Oil	195,000	59.80
Raw Silk "C"	4,050,000	—
Jap. Rayon	3,415,000	1,133.50
Cot. Yn. (42)	3,200,000	—
Cot. Yn. (20)	2,130,000	—
Koo Pun Soap	83,500	27.00

Compared with Wednesday, August 25, the above rice price is higher by GY$1.40 whereas flour lost GY$1.40.

NEWS OF THE WEEK

Currency Reform Said Last Card; Berlin Deadlock Believed Ended

AS a supplement to the recently announced currency reform measures, the Chinese Government during the past week promulgated more regulations. Special measures have been taken to combat speculation and hoarding by rigid investigation of private warehouses in leading cities. It is said that each business firm will be allowed to store only from one-third to one-fourth of the firm's annual volume of business. Observers believe that if the Government could thoroughly probe "inside" warehouses a good beginning would be made in checking speculation and hoarding which still are potential threats to economic stability.

The Ministry of Industry and Commerce is planning to establish an office of price administration to enforce the Government's ruling to freeze commodity prices.

Meanwhile China's revenue and taxation system was overhauled by a Presidential decree. Under the new regulations, a personal income tax is fixed at three percent on a monthly income of GY40. An additional one percent will be levied on an amount above GY40 but below GY50, two percent on an amount in excess of GY150 but below GY300, three percent on an amount in excess of GY300 but below GY600 and four percent on an amount in excess of GY600.

Income tax on commercial enterprises will be collected on a semi-annual basis, starting with five percent on a minimum profit of GY150. Additional rates ranging from 6 to 30 percent will be levied on excessive amounts from GY250 to GY100,000 and above.

A tax on public utilities, industrial, mining and transport enterprises will be levied at a 10 percent discount of the rates for commercial establishments.

Included in the new regulations is a provision for imposing a surtax on imports fixed at 40 percent of the regular customs duties. This extra levy is to be enforced for the duration of the Communist suppression campaign and does not apply in cases which come under trade agreements with other countries.

The government also made public a table of revised tax rates figured in Gold Yuan covering commodities, income, inheritance and stamp taxes. The new tax rates, based on pre-war levels, are expected to boost revenues, but the announcement did not say how much higher the rates will be than those prevailing August 19, the date the currency reform was announced.

According to Premier Wong Wen-hao, the new economic scheme has been crowned with "initial success." Speaking before a directors' meeting of government banks, the Premier asked that coordinative efforts be made in stabilizing prices, regulating supply and demand, stamping out the black market and hoarding, deconcentrating capital and expanding production.

Objections Raised

But some legislators had a poor opinion of the new currency reform program, describing it as "more in the interests of the rich than the poor." General dissatisfaction was expressed about "low treatment" given civil servants under the new scheme, which a legislator maintained amounted to "less than 20 percent of their pre-war earnings. It was further complained that the Government's revised tax rates "heavily increased the burden of the common men." For instance, the salt tax was CN$450,000 or GY0.15 per picul before August 19 but now is raised to GY$8.

It also was charged that productive and socialist aspects of the economic situation were overlooked. Although prices were frozen on the August 19 level the conversion rate for foreign currency, gold and silver was fixed higher than the exchange market of August 19, it was pointed out. According to some legislators, this would make imported raw materials more expensive, thus hurting domestic production and benefiting the rich who possess foreign currency, gold and silver.

In spite of the Government's ruling to freeze all commodity prices at the August 19 level, prices continued to go up throughout the country and the fluctuation in the price market was being watched with concern. Government leaders maintained that success or failure of the currency reform will affect the very existence of the present regime.

Last Resort

This view is widely shared by foreign observers. Representative James Fulton, Republican member of the House Foreign Affairs Committee, predicted that the future of the present Chinese Government depends on the success of the new currency reform. "If the new currency can be made into something the people will accept as a basic means of exchange," he said, "then the entire economy of China will be stabilized. On the other hand, failure in the field of currency could result in a collapse of the government."

In his judgment, "the basic question is whether, given a stabilized currency and a new starting point, the government can so manage the affairs of the Chinese people that it will stop a further inflationary spiral. If it is unable to do so, the entire economic and political structure might collapse . . . Inflation in China is understandable at present, but a continuing or increasing inflation is another question. The problem is not the past inflation, but whether the government can keep it within bounds now that they have a new starting point . . . The next step for China is for the people themselves to show faith in the Government's steps toward reconstruction, by showing confidence in the currency and cooperating with Government efforts."

Military Aid

In view of the rapid deterioration in China's war situation, the United States is reported in the press to be rushing military aid to Nanking. It is disclosed that General Albert C. Wedemeyer's staff is doing everything to speed up procurement of arms and equipment for Chiang Kai-shek's war with the Communists.

General Wedemeyer, as chief of the general staff for the plans and operations section, is responsible for all of the foreign military aid program. Observers believe that while he is not playing favorites it is inevitable that his experience as a former China theatre commander as well as his subsequent official visits make him close to the Chinese problem and accessible to Chinese officials in Washington.

It is pointed out that the $125,000,000 fund was granted to the Nanking Government without strings, which meant the Chinese could buy in any market they chose. But coincidentally, the United States began its "cold war" rearmament program and the Chinese found themselves unable to make purchases. Well-informed sources revealed that the Chinese Government has sub-divided their $125,000,000 grant along these lines: $87,500,000 for army ground supplies from guns to medical supplies, $28,500,000 for air force equipment and $9,000,000 for naval equipment. The outlays would include shipping costs which the Chinese must pay. It was understood that Nanking has already purchased about $15,000,000 worth of equipment through private channels and have completed a deal with the US Air Force for about $20,000,000 worth of aviation equipment.

Experts in Washington revealed that two factors have complicated the arms role in the program. Firstly, China wanted much more goods than she could pay for. Secondly, the US Army has to comb through all its camps and supply depots to find what it can afford to sell and to determine the price. Then they and the Chinese Government have to sit down and decide how the list of goods could be juggled to meet China's desires and purse.

Although the State Department has a secret priority system to direct foreign-bound military supplies to areas where they will do the most

good for the United States foreign policy at a given time, authoritative quarters said China is on a par with other areas despite the Berlin crisis and the reopening of the Greek campaign. In addition, the Army was understood to be taking steps to find materials in the Pacific area and is already packing supplies in Hawaii for China.

Asia First?

Some Congressional Republican foreign affairs experts believe that American foreign policy will shift in emphasis from Europe to the Far East when a Republican Administration is formed. They believe that America's main effort in the foreign field may be directed toward the reconstruction of Asia, and European rehabilitation, spearhead of the Marshall foreign policy, would be relegated to second place.

As far as it is known no Far Eastern reconstruction blueprint now exists. Even among its most ardent Congressional advocates there is a difference of opinion as to what its scope should be. But there is general agreement that the political and economic rehabilitation of China would be the keystone of such a program.

At one time, it was estimated this could be brought about by spending $5,000,000,000 to $6,000,000,000 over a three-year period. But now these observers believe it would cost more. Some people thought that an American-financed reconstruction plan is necessary to offset a "breakdown of the colonial system" in Malaya, French Indo-China and Dutch island territories.

But competent observers are inclined to think that in spite of their deliberate playing-up of the importance of China and other countries in the Far East, the Republicans even if they should succeed in winning the presidential elections are unlikely to make an abrupt about-face in United States foreign policy. Violent Republican attacks against the Truman Administration's China policy are nothing but clever political moves to embarrass the Democratic administration, it is believed.

House Divided

Following the formation of a government in South Korea, President Truman lost no time in extending economic aid to the new Government. He instructed Economic Cooperation Administrator Paul G. Hoffman to "make preparations to take over the responsibility for the United States economic aid program in Korea within a few months." It was explained that "now that a Korean government has been established it will be possible to transfer to a United States civilian agency the economic assistance activities which have been carried on by the United States Army since Korea's liberation in 1945."

Hoffman got into immediate touch with Army representatives on setting up an ECA program in Korea with the unexpected Army appropriations. The exact amount available for the program is small, but informed sources said the Army would probably be willing to turn over about $100,000,000. It appeared that the question might not be settled immediately because the funds must come out of the Army's over-all appropriations for all occupied areas, including Japan. Informed sources said Hoffman has virtually decided to set up a separate program for Korea instead of lumping its administration in with the China aid program. It was originally expected that the two programs would work as one, but Hoffman was reported to have come to the decision that this is too unwieldly. One of the results of the new Korean program is expected to be increased trade between Japan and Korea.

In Soviet-dominated North Korea, elections were held. According to official reports from Pyongyang, Communist candidates won 97 percent of the votes in the elections. On the basis of reports from 147 of 212 election districts, about 92 percent of the eligible voters went to the polls.

The balloting was the final act necessary for the formation of a North Korean government to rival the American-sponsored government in South Korea.

After the announcement of the election results, leaders in North Korea threatened to destroy the government in American occupied South Korea. The radio station at Pyongyang heaped abuse on the government in the South and said with elaboration:

"We have elected our representatives to the Supreme People's Council to destroy these treacherous traitors. Each of our election cards will turn into bullets to destroy the puppet government of South Korea when the central goverment of Korea is established."

Intellectuals' Congress

The World Congress of Intellectuals, held in Wroclaw, Poland, issued a manifesto condemning a "handful of self-interested men in America and Europe" as seeking war. It called for the establishment of committees throughout the world to avert a new conflict. Long hours of wrangling behind closed doors between representatives of the Soviet Union and delegates from the United States were reported to have preceded the issuance of the manifesto. Nine out of the United States delegation of 32 persons refused to sign the manifesto or vote. The remainder of the 500 delegates from 33 nations, with a few scattered exceptions, backed up the Soviet Union's shouts of approval.

The manifesto said intellectuals of the world demand "the cultural development of the nations" and desire "national independence and close friendship." To carry out a world-wide peace propaganda campaign, the manifesto proposed "that national cultural congresses for peace be convened in all the countries, that national committees for peace be formed everywhere, that international ties between men of culture of all countries be strengthened in the interest of peace."

The manifesto denounced all restrictions on the free circulation of books and literature and the promotion of scientific research. In conclusion, it said: "Now against the will and desire of the people of all countries, a handful of self-centered people in America and Europe who have inherited fascist ideas of racial superiority and the denial of progress, who have adopted the fascist methods of solving all problems by force of arms, are once again making an attempt against the spiritual treasures of the people of the world."

In a recorded speech broadcast to the Congress, Henry Wallace said that mankind's existence is being threatened. "Today the conquests of science are threatened with the danger of complete destruction through abuse of the means produced by modern science. At this moment we are on the threshold of a full and free period of life while the existence of mankind is threatened. The major part of the American nation is worried because of the serious rifts which appeared between the great powers since the end of the war. They worry because of widely spread rumors of a third world war—a third world war which would undoubtedly bring disaster to all humanity.... The American nation does not want war. We don't want anything better than peace."

Impasse Broken

AS a result of much hard bargaining in Moscow between the East and West, some kind of an agreement seems to have been reached on the Berlin crisis, although so far no official communique has been issued. To the immense relief of an anxious world, the Berlin deadlock has finally been broken.

On instructions from their respective governments, the military governors of the four occupation powers in Germany met for the first time since the Russians walked out of the Allied Control Council to draw up the necessary arrangements for restoring land communications and the introduction of the Soviet mark as the sole currency for Berlin. This meeting, a milestone in the long-drawn-out negotiations to hurdle the German problem, is regarded as the most heartening news to have come out of Berlin in many months. Observers in Berlin hope that the four military governors will be able to announce the text of their draft before the end of the week.

A Foreign Office spokesman in London said there will be no more meetings in Moscow until after the four military governors have completed their negotiations on the currency in Berlin. He explained, "Arrangements are being made in Berlin for a meeting of the four commanders on technical aspects of matters at issue between the western powers and the Soviet Union. When the meetings in Berlin are concluded and reports have been received by the governments concerned there will be further meeting held in Moscow."

This seems to confirm officially that the Moscow talks have reached an agreement on broad principles regarding the Berlin crisis. But there is no immediate prospect that the Russian blockade will be lifted until, after the military governors have agreed upon some practical steps which they can take to restore a single currency for the German capital.

US Magazine Roundup

Far Eastern Survey

RANDALL Gould airs his views on the US China aid program in the July 7, 1948 issue of *Far Eastern Survey*. "There is amazingly little talk of America's new China aid program in China itself," he states in the opening paragraph of his article entitled, "Aid to China: A Shanghai View." "The subject," continues Mr. Gould, "is mostly avoided, almost as though it were shameful . . . Clearly the conviction in every quarter is that there is no hope for that permanent improvement in China's overall condition which would warrant such continued heavy sacrifice on the part of the American taxpayer. Specifically, there is no conviction that the National Government of China itself seriously contemplates or plans for self-help—the only possible factor of eventual salvation."

Charging that in Chinese quarters the American taxpayer is seldom considered, while "American imperialism" is a frequently discussed theme, the author says: "Chinese mostly still hold to the view, at variance with all observable facts, that they have something precious which others covet and may profit by. . ."

Although the section of Mr. Gould's article dealing with the rate of inflation of CNC currency has since been outdated by the introduction of the new Gold Yuan, his statement concerning causes of inflation may still be pertinent. "The answer (to the question of inflation) lies almost wholly in the Chinese army. Contrary to the general impression, this is true whether there is active warfare or not, though civil war naturally adds to the economic predicament of the whole country by increasing military costs while diminishing productivity, ruining communication and cutting off large sections of the country from contact with Nationalist China. It seems established that the military expense —much of it merely lining the pockets of army leaders, who collect lump sums for the total number of troops they are supposed to have—runs around 80 percent of the total National Government outlay. And certainly the Government's income does not greatly exceed 20 percent of its total expense. Therefore, the printing presses continually make up the difference and there is no apparent way to stop this process without the rigorous army reform for which General Marshall so fervently but unsuccessfully pleaded."

Of what was at the time Mr. Gould wrote his article a "possibility" of a new note issue, he says, "unless it had more behind it than the old it would inevitably go precisely the same way as the old."

Returning to the subject of US aid, Mr. Gould states that the new program has every prospect of being more effectively handled in certain lines (such as distribution of supplies, military and civilian) than have previous efforts, but that in the more important field of "capital equipment and permanent improvement" the Chinese Government seems to be unwilling to adopt a business-like attitude, being "overly concerned with questions of 'national sovereignty' and other matters sometimes amazingly trifling to the business-minded outsider."

He continued: "There are many urgently needed power projects, many communications jobs ranging from repair of the Canton-Hankow railway to improvement of telephones and telegraphs, port projects, all manner of industrial possibilities, mines and so forth, virtually every one of which might be going ahead with privately-furnished foreign capital if the Chinese had been willing to grant attractive or even possible terms. But today the average foreign investment in China cannot even pay dividends to home ownership, so tight are controls.

"Chinese themselves have grown privately skeptical of any special lasting benefit to their nation as a result of American aid. They share the views of the Shanghai American Chamber of Commerce in many respects, objecting particularly to the network of Chinese Government monopolies and to the many companies in which considerable ownership is vested in Government officials or men with high political connections. They, too, are worried over the Nanking tendency to deal with virtually all economic matters on a government-to-government basis, by-passing the private agent whether foreign or Chinese."

In conclusion Mr. Gould states that while it is felt by both Chinese and foreigners that Mr. Lapham, director of the US China aid program, is the man to cut graft to a minimum and to develop every possible constructive angle, "few if any believe that anyone could make this program yield anything like even the 70 percent efficiency once mentioned by Secretary Marshall as the best to be hoped for."

* * *

American Perspective

A CRITICAL survey of the present war in Vietnam, Laos and Cambodia appears in the June issue of *American Perspective*, a monthly journal published by the Foundation for Foreign Affairs in Washington. The article states: "The issues (of this conflict) are of direct consequence to the people of the United States and pose policy problems that are important in the creation of positive conditions leading to international harmony and world order. The origins of the conflict in Indo-China are to be found in the eighty year struggle of a colonial people to free themselves from the domination of France."

This struggle, it is pointed out, continued during the war when the Vietnam people, lead by the Viet-minh, fought both the Japanese and the Vichy French and culminated in the proclamation of the independence of Vietnam and the establishment of the Provisional government of the Democratic Republic of Vietnam. The article adds that the Vietnam government of President Ho Chi Minh represent "a broad coalition of Vietnamese nationalists who had worked with the Allied powers in the struggle against the Japanese. This was in sharp contrast to the Indo-China French colonial regime which had collaborated with the Japanese and maintained its allegiance to the Vichy French metropolitan government."

The full responsibility of the French for the present conflict is recognized. It is recalled that following the Japanese surrender "French troops with American uniforms, material and equipment provided for use in the European war, helped secure Saigon as a base . . . preparatory to invasion of the North. Generalized warfare has continued to the present day with no end in sight."

The article emphasizes that "the French government has refused to grant the nationalists' demand for the unity and independence of their country, without which there can be no peace in Indo-China."

Expressing doubts as to the wisdom of United States policy and condemning French aggression, the article states: "The basic fallacy of the American position is that the recognition of French sovereignty in Indo-China is meaningless when France is incapable of restoring her rule. All the decision does is to provide the French with a legal basis for continuing the conflict as an internal affair . . . The French military have themselves indicated that a force of 500,000 is needed for successful military pacification, let alone to secure any promise of collaboration from the bulk of the population who are in favor of the nationalistic demands. The U.S. also bears some moral onus for the acts of the French in the area, which show scant regard for concepts of civilization. A considerable number of French troops in Indo-China are former Nazi soldiers "recruited" in Europe for the French Foreign Legion. Some are undoubtedly war criminals who escaped punishment by enlistment. The French do not accord the Vietnam soldiers the benefit of recognition as prisoners of war when captured, but treat them as rebels. Materials provided by the Indian Red Cross for relief to the Vietnam government have not been delivered by the French colonial administration."

The article ends with a demand that France bring the war in Vietnam to an end. "The U.S. and Great Britain have shown in Burma and the Philippines that there is an alternative to military rule and conquest. France, requiring the goodwill and bounty of others to accomplish her own reconstruction, must recognize the new situation and follow suit."

The Review's English Lesson—XLVII

The expressions we are defining this week were taken from an editorial, entitled "August Thirteenth," in *The China Press* of August 13, 1948. Although the editorial is not reproduced in full, enough is given for you to see how the expressions fit into context.

"On this day, eleven years ago, almost a century of stability and security **went by the board** (1) as far as Shanghai was concerned. When the first shots were fired by the Japanese on that day, not only did it **change the course** (2) of the city's political development, but changed the everyday life of the people.... The populace, like the city itself, has had to fight for its existence, has had **to draw its belt tighter** (3) with every passing year.

"Yet looking back over the years since August 13, 1937, when the **'old order'** (4) in Shanghai began to vanish, several things **stand out.** (5).... During the years 1937-1941, despite continually growing difficulties, the city managed to **'keep its chin up'** (6), managed to keep hope—that most precious of all civic possessions, alive and growing. That hope does not seem to be there today.

"Another change is in the relation between the city's cosmopolitan populace. Despite very obvious differences of outlook in the pre-1937 days, Shanghailanders of all nationalities, races and occupations managed to show an amazing amount of patience and tolerance toward each other. The **'give and take'** (7) between communities and groups was at a high level. No one placed the blame on any one community or any one group. The **'holier than thou'** (8) attitude was regarded as provincial and unjustified.... How different things are today, when the favorite topic of conversation is on whom to blame the present dire situation.... Where formerly cooperation was a **bye word**, (9) only criticism and accusations have come to the fore. Where all worked together in harmony, for the sake of all, there is today only the desire of each man to profit by himself—and the rest of the city **go hang** (10)....

"Yet if the present crisis facing the city **is to be licked** (11), we have got to regain the spirit of 1937.... What is needed is a little more hope for the future, and a little less defeatism; a little more tolerance, and a little less **jingoism** (12)...."

(1) went by the board—board means the side or edge of anything and as a nautical term refers to the side of a ship. The expression means went overboard, or was lost, done away with, passed by.

(2) change the course—alter the path or direction.

(3) to draw its belt tighter—to provide for getting along without things previously possessed, as a person who has lost weight adjusts his clothing by making his belt smaller.

(4) old order—former prevailing system or mode of a period.

(5) stand out—are prominent.

(6) keep its chin up—remain brave and proud. If a man looks down at the ground with his chin and whole face lowered, he looks dejected and defeated, whereas one who holds his head high and looks straight ahead appears courageous.

(7) give and take—an equal and fair exchange.

(8) holier than thou—better or more venerable or righteous than you are. "Thou" is the personal pronoun of the second person singular, and is now generally replaced by "you" although it is still used in solemn or poetical style.

(9) bye word (also spelt "by word")—so commonly shown or employed that the word became almost a proverbial saying.

(10) go hang—"To hang" literally means to die by being suspended from a gallows. The expression means let the city meet its fate, without caring what happens to it.

(11) is to be licked—is to be overcome. "To lick" is a colloquial expression meaning to strike or to conquer.

(12) jingoism—chauvinism or exaggerated patriotism, particularly with the sense of hostility towards other nationalities.

Figures of speech have been defined by John B. Updycke as "devices, both comparative and mechanical, used for the purpose of beautifying, clarifying, vivifying, energizing and picturizing language. They lift language out of the merely literal or ordinary ways of expression into striking and arresting and memorable phraseology." Our quotations this week give examples of two familiar figures of speech, the metaphor and the simile. A metaphor is a figure of speech in which one object is likened to another. It expresses the resemblance by applying the name or some attribute of the one to the other. A simile expresses similarity between two things that are unlike in most respects, and usually employs the words "as," "like," or "than."

The first quotation below is from **Macbeth** by William Shakespeare, and contains a metaphor. The second, by Joseph Addison, uses a simile.

"Out, out, brief candle!
Life's but a walking shadow, a poor player
That struts and frets his hour upon the stage,
And then is heard no more; it is a tale
Told by an idiot, full of sound and fury,
Signifying nothing."

"A human soul without education is like marble in the quarry which shows none of its inherent beauties, till the skill of the polisher fetches out the colors."

* * *

The answers to last week's test questions are given below:

1) False
2) True
3) True
4) False
5) True
6) False
7) False
8) True
9) False
10) True

1) d)
2) i)
3) b)
4) f)
5) c), h)
6) j), g)
7) a), e)

1) a), c)
2) a), d)
3) a), b)
4) b), d)
5) b), c)
6) b), c)
7) c), d)
8), a), c)
9) b), d)
10) a), b)

What US Papers Say

FOLLOWING the Chinese Government's announcement of its new currency reform measures, skepticism was the keynote of American press comment. Most of the editorials on the subject contained a note of uncertainty as to the successful execution of the measure.

Other topics of interest which were editorialized in American papers included problems confronting India in her first years of independence, the newly-independent government of South Korea, and the health situation in the Far East.

* * *

Currency Reform

REVALUATION of the yuan.—"The Chinese Government has revalued the yuan on a 3,000,000 to 1 basis, in the hope of ending the currency debauch from which that country has suffered grievously," the *New York Journal of Commerce* of August 25 said, observing: "There is no evidence as yet that the Central Government can correct the financial and economic conditions that produced the runaway depreciation of the yuan in the first place. And unless this is done, the new currency will be vulnerable regardless of the nature and amount of assets that are pledged to secure it, for in no event will the new notes be made convertible into such assets."

Similarly, the *Washington Star* on the same day, found "considerable skepticism" over the new currency voiced by financial circles in China and by monetary experts in the U.S. "To begin with," the *Star* said, "the Chinese Finance Minister's explanation of the yuan's soundness is questioned.... Still more fundamental is the persistence of those economic and financial ills which have debased China's present currency." The *Star* concluded: "This does not imply that the present reform may not serve a useful purpose. For one thing, it will cut the zeros of monetary transactions and reduce paper money to manageable proportions. But monetary stability is not something that can be attained by government fiat. It must be gained and maintained by the currency's purchasing power in the open market—which, in turn, depends on public confidence in its true value."

The *Baltimore Sun* of August 24 found "varying views" as to the soundness of the new currency. Although it took no position on the matter, the *Sun* declared: "The revaluation will have reverberations over the world even if the yuan is not in fact worth the 25 cents the Chinese say it is."

The *New Orleans Times-Picayune* said the stabilization move "may prove to be what is most needed to stay the disintegration of the Chiang regime," and that "Chinese in the cities undoubtedly are ready to give the currency reform its chance." The paper asserted, however, that the Chinese Government must sustain the official purchasing power of the new currency, adding: "China is being backed by the U.S. Government this year to the extent of $125,000,000. Unless she can put her affairs in order and utilize this contribution to get back on her feet, her outlook will be even darker than it has been."

* * *

Indian Independence

IN an editorial published on the first anniversary of the independence of India and Pakistan, the *New York Times* said in part:

"What the Indians have been learning this last year the harder way is that independence is no panacea for India's ills. Before last August, the Moslems could blame the Hindus and the Hindus could blame the British for whatever deficiencies were found. Now that they have their own governments they are finding that the problems remain. Freedom, although a heady draught, does not fill an empty stomach. It is not a shield against the weather. But what it can do is to inspire men to do better than they thought possible. That is India's hope today, that now that it is their own country its citizens can find the strength to do what has to be done. The record of the first year gives promise that strength will be found, that the problems will be solved, that the future of India (ultimately a reunited one, we hope) will be better than its past."

* * *

South Korean Government

THE official inauguration of the Republic of Korea at Seoul has evoked speculation in the US press over the future of that divided country. A *St. Louis Post-Dispatch* editorial, entitled "Korea's Part-Won Independence," said in part:

"The Korean Republic can accomplish the reunification of the country only by long and arduous efforts. It confronts a Russian Communist puppet government backed by 200,000 native troops in the north. It is under severe economic handicaps, among the worst of which are lack of industrialization of the south, and the concentration of electric power in the Communist-held north. The republic is constantly being menaced by Communist spies and saboteurs. Obviously, these are problems which a fledgling republic cannot solve without considerable assistance. That assistance should come through the United Nations, but even so its source must largely be the United States. The national defense of a weak new republic with hostile forces facing it across an imaginary line—the construction of an economy and political system by a people inexperienced and immature in both respects—these are aims which can be expressed in a moment's oratory. To accomplish these aims will be grinding, tiring, often discouraging work of years."

The *New York Herald Tribune*: "Restoration of independence (of Korea) was one of the Allied aims, affirmed at Yalta and Potsdam. Precisely three years after the close of hostilities—the aim was fulfilled so far as was in the power of the United States.

"Unfortunately, however, the tensions between Russia and the West cast their shadows over this, as over so many postwar achievements. In the area it controls, Russia has refused to allow supervision of elections by the UN commission; it has fastened on the northern third of the country a Communist rule, marked by the same oppression as has grown depressingly familiar in other areas. New Korea, instead of beginning its career as a united land, begins it with large territories still to reclaim and under threats of attacks and supervision."

The *Baltimore Sun*: "Our recognition of the new Korean government at this juncture. . . seems aimed directly at getting further international recognition of this new regime at the United Nations. And such UN recognition would imply recognition as the rightful government of a united Korea . . ."

* * *

Health In Far East

THE *New York Times* commented recently on a survey of health conditions in the Far East recently made for the International Children's Emergency Fund by Dr. Thomas Parran, former U.S. surgeon general.

The editorial declared that "the survey of the health situation in the Far East for the United Nations by Parran shows that politics is a vital element in national life and international affairs that can mean starvation, disease and death to millions of persons. Political situations," it said, "can kill people."

It further declared that "the worst health situations, Dr. Parran reports, were in areas where political situations were most disruptive. He mentioned particularly areas of northern India. . . and the Republic of Indonesia. . . He might also have named China, Indo-China, Malaya, certain areas of the Philippines and Korea. In all these places failure to find peaceful solutions of basic political problems has resulted in catastrophe for millions of innocents who have been little consulted and have had little part or voice in making decisions that mean, literally, life or death to them. . . "If through inertia we allow Asia's political problems to go unsolved . . . we probably will live to regret it. Disease knows no geographical lines. For our own protection, if not for finer humanitarian reasons, we should not allow Asia to sink even further into disease and despair."

What Chinese Papers Say

THE Chinese currency reform occupied the limelight of Chinese press comments last week during which one paper, of which Garrison Commander Hsuan Ti-wu was reportedly chairman of the board of directors, printed a most violently anti-US editorial attack. Incidentally, Gen. Hsuan's officers and men last week cooperated with the judicial police of the Special Tribunal in the round-up of alleged "professional students," many of whom were leaders of the anti-US demonstrations several months ago.

* * *

Currency Reform

MOST papers enthusiastically hailed the currency reform and emergency economic measures as enunciated in Nanking on the night of Aug. 19 by President Chiang Kai-shek. They urged the people to cooperate heartily with the Government and warned the authorities that efforts must be redoubled in order to hold the Aug. 19 price line.

The independent *Ta Kung Pao*, after reviewing the highlights of the reform measures, brought up the question of the Government budget: "The fapi was shaken mainly due to the Government deficit. We are sure that before carrying out this currency reform, the Government had been convinced that the State budget could be nearly balanced. After the establishment of the National Government, our State budget showed a deficit every year, and at that time the deficit was met largely by issuing domestic bonds.

"The fact that after the outbreak of the war of resistance domestic bonds could no longer be successfully issued was due partly to the instability of currency value and partly to the Government's failure to maintain its own credit. Finally, the Government could only depend on the issue of more notes for income. Maintenance of the stability of currency value and establishment of the Government's credit is one of the most important conditions for popular support of all policies carried out by the Government, so the Government must give special attention to this.

"Although this is not the best time to carry out currency reform, yet stabilization of currency value and of the livelihood of the people is a matter of great urgency. From the way in which commodity prices have skyrocketed since the end of June, we can see that the fapi was on the verge of bankruptcy.

"It is obvious that this time the Government has been forced to carry out currency reform by Presidential Decree. China has had no experience in currency reform, so we cannot expect the measures adopted to be perfect, but it is recognized by all that this reform has been necessary. If we want this reform to achieve great results, the Government must do its utmost to bring its income and expenditures to a near balance, so that the new currency will not be malignantly inflated as was the old one."

Sin Wan Pao, long considered the leading commercial paper, stressed the subject of commodity prices. While admitting that prices should be controlled, it doubted if the price level which prevailed on August 19 was a reasonable price level for every commodity. It continued: "From now on the Government should give special attention to remedying the unreasonableness of this price level as it applies to certain commodities, so that the equilibrium of the whole price structure will not be disturbed. According to information which we have received, the Government is planning to collect taxes according to prewar standards, and all State-operated enterprises, such as the postal and telegraph services and the railways, are also planning to do the same thing. If this information is true, then the tax rates, the postal and telegraph rates and transportation charges will be increased several times, which will doubtlessly cause commodity prices to rise rapidly, and we are afraid such a rise in prices could not be curbed by any Government order. The Government should give this matter special consideration."

* * *

"Mass Rape"

THE *Ta Chung Yeh Pao* of Shanghai on August 25 violently attacked American military men whom it claimed were involved in the so-called "mass rape" in Hankow. The editorial did not mention the United States directly but the inference is obvious.

A summary of the article said: "The outrageous mass rape which occurred at Ching Ming Building, Hankow, on the night of August 8 was an insult not only to the personal dignity of the Chinese women who fell victims, but also to the Chinese Republic which has the status of an independent nation. More than two weeks have elapsed since this strange, horrible incident took place, but so far, we have not seen any detailed report on same. We take it that it is because the outrage was committed by our friendly allies and because the group of minor bureaucrats at Hankow are afraid of trouble, but not afraid of losing face, that no official report whatsoever on the facts of the case has been published so far . . ."

(Chinese and American authorities investigating the reported incident denied the women were molested and one source said the women attending were paid in advance and knew what was coming).

* * *

Chang Chun's Visit

CHINESE ex-Premier Chang Chun's visit to Japan is "to investigate the record which Gen. MacArthur has made in controlling Japan," *Ta Kung Pao*, often identified as the organ close to Chang's "Political Science Clique," declared in an editorial last week.

The paper took strong exception to a Tokyo *Jiji Shimpo* editorial of August 14 emphasizing the necessity of economic cooperation between Japan and China and endorsing a reported ECA plan to make China cooperate with Japan.

The paper categorically rejected the idea. "As the Japanese peace treaty has not yet been concluded, Japan is still our enemy. How can we talk about economic cooperation with her." It added: "We want to take this opportunity to re-affirm our views on the Japan problem. General MacArthur has been controlling Japan on behalf of the Allied nations, and he has been controlling Japan in order to implement the Potsdam Declaration, to get rid of Japanese militarism, to ensure that Japan will not embark on aggression against other nations again, and to achieve lasting peace in the Far East. Thus, in controlling Japan, General MacArthur should not have the interests of the US alone at heart, should not rehabilitate Japan's war industries, and should not make war preparations in Japan.

"This is the first point we wish to make.

"As a result of the Sino-Japanese War of 1894, China paid Japan an indemnity fund, and with this large amount of money Japan built up her industries and thus became a strong nation. This time, we are bent upon getting reparations from Japan. We oppose the Strike Plan and the Draper Plan. Even if we cannot make good use of the industrial equipment received from Japan as reparations, we should get it just the same, for otherwise we could not do justice to the people. This is the second point we wish to make.

"We favor an early convocation of the Japanese peace conference, so that the Japan problem can be liquidated and solved. We must preserve the veto right in the peace conference. Before the signing of the peace treaty, Japan is still our enemy, so there should be no direct diplomatic relations between her and our country, nor should there be economic cooperation between the two countries.

"This is the third point we wish to make," the paper concluded.

NEW BOOKS OF INTEREST

Author's Journey

A RUSSIAN JOURNAL *by John Steinbeck (Photographs by Robert Capa; Viking Press 1948, $3.75). Reviewed by Benito Chao.*

In noting the reasons why "A Russian Journal" fails to unearth any profound inside revelations or new material, it should be stated that Soviet guile and deception are not the factors. If there was anything John Steinbeck and Robert Capa, who took the superb photographs which accompany Steinbeck's narrative, failed to see, it was not because bewhiskered agents were keeping it from them or were deceiving them by fancy "set-ups." For according to the author they were quite free to move around.

The author found that the Russians are the world's worst propagandists and the people the least adept in the art of window-dressing. The two men saw good things, friendly people and a hope for a peaceful future, simply because those items were around to be seen. It was the private citizens in Moscow, Stalingrad and other cities as well as collective farms they visited who made it apparent to them that the Russians "had a hatred of war, they wanted the same things all people want—good lives, increased comfort, security and peace."

Both men could have pretended to those qualities of omniscience which comes so readily to the many travelers in the USSR, no matter how brief their journey. "A Russian Journal" is more valuable as a report and more interesting as reading because they failed to do that. While the book is not any rhapsody of Russia (some of the criticisms of the censorship, bureaucracy and inefficiency are quite outspoken) it is a contribution of some importance in these days when it is so essential to view the Russians unemotionally, to see them as human beings not far different from ourselves.

Quite openly, Steinbeck prefers unregulated, confused American life to the austere and somewhat moralistic Russian planning. But he is a warm and friendly man and he was quite taken by the ample hospitality and the large-scale dreams of the Russian people. The book is full of genuine, though not uncritical, friendship for them and a complete belief in their basic goodwill and desire for peace.

In a less jumpy world, this journal would be welcomed in both the United States and the USSR. As things stand today, Steinbeck's prediction that this account will not be satisfactory to either is quite true. Some will say it is pro-Russian while others will say that it is anti-Russian. Only the superficial can draw such conclusions, but today superficial conclusions are quite in vogue. Whatever conclusions are to be drawn can be said to be that this book reveals the Russians as being much like people throughout the rest of the world. Some are bad, of course, but the vast majority are ordinarily good. In less tense times this would not be an extraordinary statement to make, but today it is.

Steinbeck even in his own books is hardly ever concerned with large cities and so the reader finds that a place such as Moscow was not his chief preoccupation. Outside the metropolis, in the Ukraine he found lightheartedness and high spirits.

He was more comfortable with the peasants and the collective farm members than with the intellectuals, who were individually intriguing, as a group earnest and intense to a degree. In travelling through these circles Steinbeck found a kind of puritanism prevailing, which made for the suspicion on his part that, other evidence to the contrary, the Russians were becoming a "stuffy, non-alcoholic, non-lecherous people."

Comments in this vein do not always flatter the country or its people but the essential thing is that Steinbeck's criticisms are not of the "this is the gospel-truth" variety nor are they of the snarling and scornful variety which make up so many books on Russia. If the author sees great defects in the Russian story, it is not in comparison with a flawless and ideal America. Rather, it is against a background of the struggles and suffering of a people who, though once backward, are essentially friendly and who have made rapid strides against historical odds.

War Messages

CHIANG KAI-SHEK: *The Collected War Time Messages of the Generalissimo 1937-44. (Compiled by the Ministry of Information. 2 Vols. The John Day Company New York.) Reviewed by D. Y. Lanne.*

OSCAR Wilde meant to be ironical when he said it has been the privilege of modern book reviewers to discover the art of criticizing a book without having read it.

I must confess that the present review is my first essay in that modern art. It is not cynical levity that propels this confession from my pen; no less than seven times have I fallen asleep within the last three months trying to plod through the "Messages" and it is from the depth of bitter experience that I proclaim it to be beyond human powers of endurance to fret through the nearly nine hundred cheerless pages of these two tomes.

Indeed, there is no need for such superhuman effort. Everyone of the 162 speeches reproduced sounds as if it had come from the kind of machine that stamps out caps for Coca-cola bottles, at the rate of 20,000 an hour. The amount of intellectual labor that has gone into composing the messages is exactly equivalent to the amount of brain power required of such a machine.

There is nothing human in the collection; it is a completely mechanical tiresome repetition of entirely meaningless phrases; its author does not have the gift of human speech. He lives and, as an orator, dies in a rigmarole of stone-dead catch-phrases and stereotypes—the ancient virtues of propriety, justice, integrity, conscientiousness, blah, blah, blah, loyalty, filial devotion and-the-Lord-protect-us, the Fundamental Principles Bequeathed to Us by the Late Father of Our Country, Revolutionary Leadership, Spiritual Mobilization, National Reconstruction—great big swelling words having the intellectual and emotional appeal of, for example, the sound made by a child's rattle.

Turn to page 100 and read the lovely Twelve Maxims of the Kuomintang Code which Chiang admires as deep philosophy; pick out Maxim No. 6, a piece of sheer brazen-faced Confucian puerility which reads: "Courtesy and self-control are the basis of good administration." ARE they really? What about a bit of plain honest Competence?

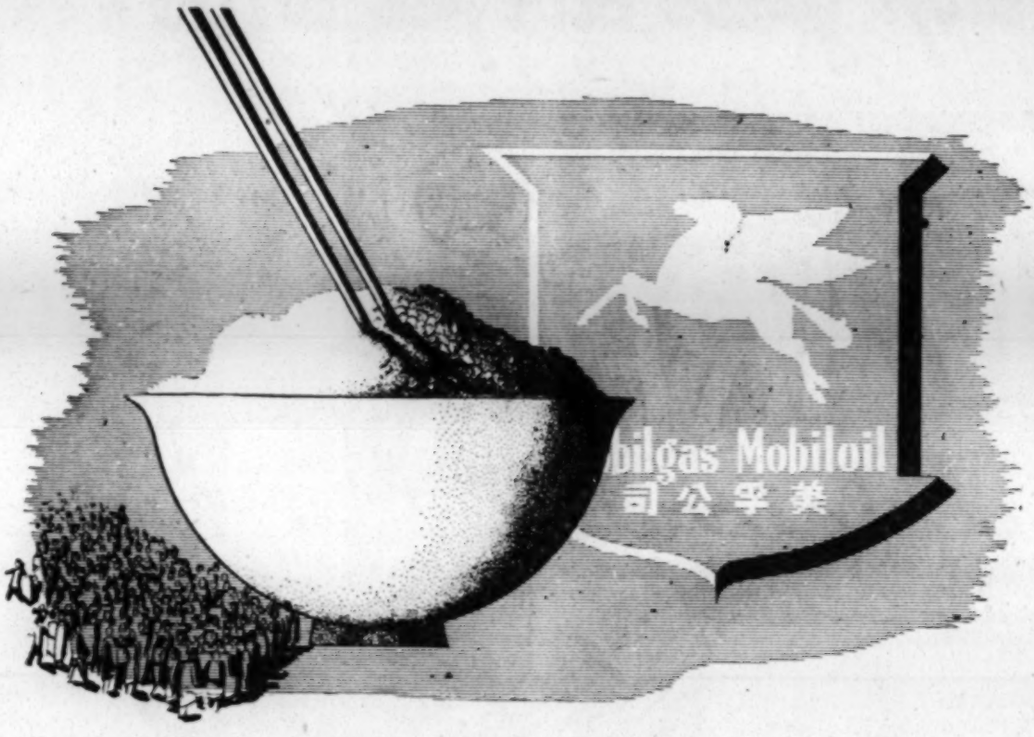
The Messages have been rendered into faultless English and no doubt have been very solicitously edited; none of the reckless prophesizing jaunts of which the author is so fond have survived it.

This is apparent even to a newcomer in China. Compare any of the speeches to the last "State of the Nation" report made by President Chiang on April 9th, of this year.

Read of how the Reds have already been defeated strategically—how in six months' time (that is, in October THIS year) they will have forces south of the Yellow River no stronger than a division; read of the wonderful economic position China enjoys at present with her currency fully backed by gold and silver and her economy more secure than ever, high prices being due, not to economic reasons, but merely to Red Propaganda (Marvellous Effects of Red Propaganda).

Read all this, but read it in the Shanghai Evening Post and not in any future edition of Chiang's speeches by the Ministry of Propaganda; and then you will come to conceive some admiration for the first-rate service which Hollington Tong and his translators have rendered their master in preparing the volumes under review for publication. But why were they even published?

SUBSCRIBE TO THE CHINA WEEKLY REVIEW
A Weekly Newspaper Established in 1917



The big rice bowl

The Standard-Vacuum Oil Co., its agents, distributors, and contractors have for years employed more Chinese than any other private American enterprise in China.

For more than half a century our Chinese staff have played a vital part in the industrial development of their country, helping fill countless thousands of other rice bowls.

GARGOYLE Lubricants 司公孚美

STANDARD-VACUUM OIL COMPANY

Keep your car fit with ★★★

MARFAK Lubrication

COMPLETE MARFAK LUBRICATION

CAN BE OBTAINED IN SHANGHAI

AT THE FOLLOWING

CALTEX SERVICE STATIONS

1052	BUBBLING WELL ROAD	TEL. 36361
786	AVENUE JOFFRE	TEL. 68936
363	AVENUE DU ROI ALBERT	TEL. 73673
668	AVENUE FOCH	TEL. 66075
240	HONAN ROAD	TEL. 14868
1861	RUE PROSPER PARIS	TEL. 68849
990	BROADWAY EAST	TEL. 53284
942	YU YUEN ROAD	TEL. 22526
380	ROUTE FRELUPT	TEL. 68848
183	GREAT WESTERN ROAD	TEL. 21990
590	NORTH SZECHUEN ROAD	TEL. ——

CALTEX

THE TEXAS CO. (CHINA) LTD.

WHEELOCK BLDG. SHANGHAI

Printed by THE MERCURY PRESS